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Presidents



Harry S.
Truman

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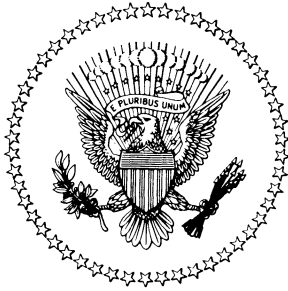
PUBLIC PAPERS OF THE PRESIDENTS
OF THE UNITED STATES

Harry S. Truman

*Containing the Public Messages, Speeches, and
Statements of the President*

JANUARY 1 TO DECEMBER 31, 1946

1946



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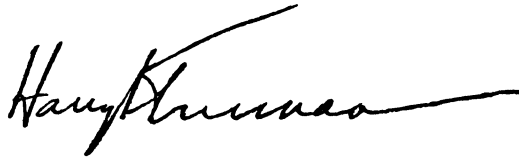
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FOREWORD

THE IMPORTANCE OF this series lies in the extraordinary character of the office of President of the United States.

A President's written and spoken words can command national and international attention if he has within him the power to attract and hold that attention. It is partly through the use of this power that leadership arises, events are molded, and administrations take their shape.

It is this power, quite as much as powers written into the Constitution, that gives to the papers of Presidents their peculiar and revealing importance.

A handwritten signature in black ink, which appears to read "Harry Truman". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

PREFACE

IN THIS VOLUME are gathered most of the public messages and statements of the President of the United States that were released by the White House during 1946. A similar volume, covering the period April 12–December 31, 1945, was published in 1961. Volumes covering the remaining years of President Truman's administration are under preparation.

Annual volumes covering the administration of President Eisenhower are also available. Current plans call for the publication of volumes containing the public messages and statements of President Kennedy shortly after the beginning of each calendar year. The first of these volumes, covering the period January 20–December 31, 1961, was published early in 1962.

This series was begun in 1957 in response to a recommendation of the National Historical Publications Commission. An extensive compilation of the messages and papers of the Presidents, covering the period 1789 to 1897, was assembled by James D. Richardson and published under congressional authority between 1896 and 1899. Since that time various private compilations were issued, but there was no uniform, systematic publication comparable to the *Congressional Record* or the *United States Supreme Court Reports*. Many Presidential papers could be found only in mimeographed White House releases or as reported in the press. The National Historical Publications Commission therefore recommended the establishment of an official series in which Presidential writings and utterances of a public nature could be made promptly available.

The Commission's recommendation was incorporated in regulations of the Administrative Committee of the Federal Register issued under section 6 of the Federal Register Act (44 U.S.C. 306). The Committee's regulations, establishing the series and providing for the coverage of prior years, are reprinted at page 534 as "Appendix D."

Preface

CONTENT AND ARRANGEMENT

The text of this book is based on Presidential materials issued during the period January 1–December 31, 1946. A list of White House releases from which final selections were made is published at page 515 as “Appendix A.”

The full text of President Truman’s news conferences is here published for the first time, since direct quotation of the President’s replies usually was not authorized. Three meetings with special groups—numbered in source materials as News Conferences 42, 51, and 52—were not in fact news conferences and are not included in this volume.

Proclamations, Executive orders, and similar documents required by law to be published in the *Federal Register* and *Code of Federal Regulations* are not repeated. Instead, they are listed by number and subject under the heading “Appendix B” at page 525.

The President is required by statute to transmit numerous reports to Congress. Those transmitted during the period covered by this volume are listed at page 533 as “Appendix C.”

The items published in this volume are presented in chronological order, rather than being grouped in classes. Most needs for a classified arrangement are met by the subject index. For example, a reader interested in veto messages will find them listed in the index under the heading “veto messages.”

The dates shown at the end of item headings are White House release dates. In instances where the date of the document differs from the release date that fact is shown in brackets immediately following the heading. Other editorial devices, such as text notes, footnotes, and cross references, have been held to a minimum.

Remarks or addresses were delivered in Washington, D.C., unless otherwise indicated. Similarly, statements, messages, and letters were issued from the White House in Washington unless otherwise indicated.

Original source materials, where available, have been used to protect against substantive errors in transcription. In maintaining the

Preface

integrity of the text, valuable assistance was furnished by Dr. Philip C. Brooks and Philip D. Lagerquist of the Truman Library. David D. Lloyd, former Administrative Assistant to President Truman, assisted in the selection and annotation of materials.

The planning and publication of this series is under the direction of David C. Eberhart of the Office of the Federal Register. The editor of the present volume was Warren R. Reid, assisted by Mildred B. Berry. Frank H. Mortimer of the Government Printing Office developed the typography and design.

WAYNE C. GROVER

Archivist of the United States

BERNARD L. BOUTIN

Administrator of General Services

November 8, 1962

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Harry S. Truman

1946

1 Letter to General Bradley Regarding the Establishment of a
Department of Medicine and Surgery in the Veterans
Administration. *January 3, 1946*

Dear General Bradley:

I have today given my approval to H.R. 4717, an enactment to establish a Department of Medicine and Surgery in the Veterans' Administration.

I recognize the emergency situation which confronts the Veterans' Administration at the present time in the recruiting of physicians, dentists and nurses.

It is my desire that, in carrying out the provisions of this law, you develop a system of recruitment and placement which will grant priority to qualified veterans and which will also provide against any possibility of discrimination because of race or creed.

I hope that this legislation will enable you and your associates to move forward in your determination to provide the veterans of this country with a progressive up-to-date Department of Medicine and Surgery. Much progress has been made in this direction, and I shall watch with real interest the additional steps which will be taken by you under this new law.

Very sincerely yours,

HARRY S. TRUMAN

[General Omar N. Bradley, Administrator of Veterans' Affairs, Veterans' Administration, Washington 25, D.C.]

NOTE: As enacted, H.R. 4717 is Public Law 293, 79th Congress (59 Stat. 675).

2 Radio Report to the American People on the Status of the
Reconversion Program. *January 3, 1946*

[Delivered from the White House at 10 p.m.]

Fellow Americans:

As you all know, it is the constitutional duty of the President to report to the Congress annually on the state of the union. That regular report will be made to the Congress soon after it reconvenes.

Tonight, I am speaking directly to you—the American people—on issues which will be the subject of debate when Congress returns.

1946 is our year of decision. This year we lay the foundation of our economic structure which will have to serve for generations. This year we must decide whether or not we shall devote our strength to reaching the goal of full production and full employment. This year we shall have to make the deci-

sions which will determine whether or not we gain that great future at home and abroad which we fought so valiantly to achieve.

I wish I could say to you that everything is in perfect order—that we are on the way to eternal prosperity. I cannot.

The months ahead will be difficult. We are well along the road toward our goal, but at every turn we run the risk of coming upon a barrier which can stop us.

In the message to the Congress on September 6, 1945, and in other messages, I have outlined legislative proposals to meet the problems which lie ahead. Many of these proposals are pending before the Congress. A few have been adopted. Progress on most of them has been distressingly slow.

Now, at the beginning of this new year, is a good time to take stock.

First, I can say with emphasis that the legislative branch of our Government has done its full share toward carrying out its responsibility in foreign affairs.

The Congress has approved the Charter of the United Nations Organization. It has provided for full participation by the United States. It has continued the program of reciprocal trade agreements. It has approved participation in the United Nations Food Organization. It has passed legislation carrying out the Bretton Woods Agreement. It has provided support for the United Nations Relief and Rehabilitation Administration.

The Congress is indeed to be congratulated by the people on all that it has contributed toward cooperation among the nations of the world in their search for peace and security. I shall have more to say about the foreign policy of the United States in the annual message to the Congress.

When we turn to our domestic problems, we do not find a similar record of achievement and progress in the Congress.

And yet our domestic postwar problems are just as serious and, in many ways, just as difficult as our international problems. Unless we can soon meet the need of obtaining full production and full employment at home, we shall face serious consequences. They will be serious not only in what they mean to the American people as such, but also in what they can do to our position as a leader among the nations of the world.

With the surrender of Japan last August, we set certain domestic goals to be attained. The tasks before us were clear then; they are clear now.

We had to reconvert our economy from war to peace—as rapidly as possible.

We had to keep employment and wages

and purchasing power on a high level during the changeover.

We had to keep the prices of commodities from going up too high. We had to get civilian goods produced and put upon the market promptly.

In other words, our primary aim was to bring about an expanded production and steady, well-paid jobs and purchasing power for all who wanted to work—we had to maintain high farm income—and good profits based on big volume.

Reaching that goal means better homes, better food, better health, better education, and security for every citizen of the United States. It means bigger and steadier markets for business. It means world confidence in our leadership.

We had gone a long way in getting our workers and factories back on a peacetime basis. War plants have been cleared in large numbers, and their war contracts settled. Men, machines, and raw materials are already back in peacetime production in greater numbers, and are producing more goods, than any one of us had dared to expect a few months ago.

But we are a long way from our goal.

The return of the United States to a peacetime economy in 1946 requires the same cooperation that we had during the war years. Industry, labor, agriculture, the Congress, the President—each one of these—is called upon to do certain things. None of them can do the job alone. Together they can.

There is one vast difference, however, between 1941 and 1946. While we were producing to meet the needs of war, we had the great stimulus of the war itself. That stimulus is now gone. The cooperation and teamwork in some quarters, I am sorry to say, have suffered proportionately.

The reconversion period through which we are now passing has as many elements of

danger to our economy as the war period. Whether we fall into a period of great deflation because of unemployment and reduced wages and purchasing power, or whether we embark upon a period of great inflation with reduced production and spiraling prices—the result will be equally disastrous.

Immediately after the surrender of Japan, in the full flush of our victory, representatives of the Congress, of industry, of labor, and of farm organizations called upon me. From them I received promises of cooperation and teamwork during this reconversion period.

I regret to say that those promises have not all been kept. As a result, many obstacles have been thrown in our path as we have tried to avert the dangers of inflation and deflation.

First among those obstacles have been labor-management disputes.

Immediately after V-J Day, the Government announced a policy of taking off the wartime controls which it had exercised over wages and over industrial relations as a whole. It was thought, particularly by labor and management, that through collective bargaining, labor and management would be able to find common ground, that they would be able to agree upon ways to avoid stoppages of work and to continue the production that is so necessary to our economic life.

Unfortunately, industrial disputes soon began, and many strikes were called. Many of these disputes and strikes were settled or conciliated. But there were some strikes of nationwide importance in which collective bargaining and conciliation both failed.

In order to enable management and labor to make a common effort to find means for preventing work stoppages, and to consider many other aspects of industrial relations, the Government invited their representa-

tives to meet in a conference of their own, in Washington.

Although it did reach agreement on some matters, and although it did pave the way for future meetings and discussions, the Labor-Management Conference could not agree upon a solution of the most immediate and pressing problem—what to do about strikes when bargaining, conciliation, and arbitration had all broken down.

As industrial strife has increased, with automobile workers out on strike, and with steel workers, electrical workers, and packinghouse workers scheduling strikes very soon, I have been deeply concerned about the future. I am sure that all of us, including these workers themselves, share that concern.

When the Labor-Management Conference ended, it became my responsibility as the President of the United States to recommend a course of action. This I did in a message to the Congress on December 3d, 1945.

I recommended certain fact-finding procedures which I believe can go a long way toward meeting these problems.

I had hoped that the Congress either would follow my recommendations or would at least propose a solution of its own. It has done neither.

The purposes of my recommendations have been misrepresented by some of the spokesmen of both labor and management. The recommendations, however, are very clear.

I proposed that in the few nationwide industries where a stoppage of work would vitally affect the national public interest, after all other efforts had failed, the Government should step in to obtain all the facts and report its findings to the country.

Experience has repeatedly shown that once the public knows the facts it can make its opinion felt in a practical way. In order

to give a fact-finding board a reasonable chance to function before a strike is actually called, I suggested that there be a 30-day "cooling-off period." I further recommended that the power of subpoena be given to the fact-finding board so that it could get all the pertinent facts.

In the setting up of fact-finding boards, there is nothing harmful to labor. There is no reason why a strike cannot be postponed for 30 days. Nor is there any intention of taking away labor's right to strike. That right remains inviolate. There is no effort to shackle labor. There is only an effort to find the truth, and to report it.

On the other hand, there is nothing harmful to management in this proposal. No detailed information obtained from the books of any company is to be revealed. It is nothing new to have the Government get accurate information from a corporation. It is done now by many Federal agencies—by the Bureau of Internal Revenue, by the Securities and Exchange Commission, by the Wage and Hour Division of the Department of Labor, by the Interstate Commerce Commission, and by many others.

Without legislation, fact-finding boards cannot function as effectively as they can under a statute. For example, shortly after I made my recommendation to the Congress, I appointed a fact-finding board in the dispute between the General Motors Corporation and the United Automobile Workers. I thought the matter too urgent to wait upon the passage of legislation. You have seen how the General Motors Corporation has refused to cooperate with this fact-finding board. There is no way that it can be compelled to cooperate, unless a statute is passed giving the board the power of subpoena. That is what is now up to the Congress,

Every day that production is delayed and civilian goods are kept from our markets by

strikes or lockouts brings injury to our re-conversion program. Already millions of dollars in wages have been lost to workers. Laboring men and women are using up their savings. It is for these reasons that I urged the Congress to pass this legislation without delay. This legislation is still in the Committee on Labor in the House of Representatives, and in the Committee on Education and Labor in the Senate.

I am sure, from all the sources of information which I am able to use, that the American people agree with the necessity for some fact-finding legislation along the lines recommended. The time has come for every citizen of the United States to make his opinion known to his representative in Congress. Once that is done, you may be sure that results will follow.

I was a member of Congress for 10 years, and am familiar with groups of all kinds representing special interests. Some are right; some are wrong. But there are those who, when they decide to make themselves felt, are the most powerful pressure group in the world. I mean the American people—the great mass of our citizens who have no special interests, whose interests are only the interests of the Nation as a whole. The only difficulty is that the great public body of American citizens who are not organized find it difficult to make themselves heard.

I hope that the members of the Congress will talk to their constituents while they are at home on a vacation, and that immediately upon their return they will really do something substantial about strikes along the lines I have suggested, instead of merely talking about them.

I have indicated my opposition, and I repeat it now, to the antilabor bills pending in the Congress which seek to deprive labor of the right to bargain collectively, or which seek to deprive a union of its ultimate right

to strike. That is why I am so anxious to have on our books an effective statute which will have none of the evil effects of some of the legislation now pending.

Of equal importance with the settlement of management-labor disputes during this reconversion period is the question of keeping prices on an even keel. Here too there are pressure groups at work in the Congress and outside the Congress, constantly pushing, lobbying, arguing to take off price controls and let prices go up without interference.

We cannot keep purchasing power high or business prosperous if prices get out of hand. There is no use talking about the expanded production upon which steady jobs depend, unless we keep prices at levels which the vast majority of the people can afford to pay.

Today the pressures for inflation are many times stronger than those which caused the inflation after World War I and which caused the 1920 depression.

The inflationary pressures now at work can bring an inflation and a crash that will be much more serious than 1920. That is why it is so important to get a high volume of production and a large supply of marketable goods right away. Production is the greatest weapon against inflation.

Until enough goods can be made to supply the demand, the power of the Government must be used to keep prices down—or inflation will soon be upon us.

People have a right to protection for their savings. They should be assured that their earnings will give them a decent standard of living. Businessmen who want to plan ahead have the right to know now that the prices of the things they will have to buy in the future will remain predictable. They must have confidence now that the purchasing power upon which their markets depend will be protected.

We are all anxious to eliminate controls

just as rapidly as we can do so. The steps that we have already taken show that. But price and rent controls will have to be maintained for many months to come, if we hope to maintain a steady and stable economy. The line must be held. I shall urge the Congress after it reconvenes to renew the act as soon as possible and well in advance of its expiration date, June 30, 1946.

Price control is only one of the war powers which require extension. Another is the Second War Powers Act, recently extended for 6 months instead of a year as I requested. Since we already know that war-born shortages of certain materials will surely plague us after June 30th of this year, when the extended law will expire, the law should be extended again now. If this is done, all businessmen will know that short materials will continue to be fairly controlled and distributed. Unless we do this now, controls will begin to break down in a short time.

There are other things which should be done by the Congress if it would fulfill its responsibility to the Nation. Many of these measures have already been recommended by me, and have been written into proposed legislation by individual Congressmen. But the Congress has done little—very little—about them.

One essential part of our program, designed not only to tide us over the reconversion period but also to carry us to our goal of full production and a higher standard of living, is the adoption of full employment legislation. A satisfactory full employment bill was passed by the Senate. Another bill was passed by the House of Representatives which is not at all acceptable, and which does not accomplish any of the purposes sought. These two bills are now in conference between the Senate and the House of Representatives.

It was my fervent hope, and I am sure

that it was the hope of all progressive Americans, that before the recess of the Congress for the Christmas holidays the conferees would have reported a satisfactory full employment bill for adoption by both Houses. No such bill has been reported. It is most important that the conferees report a satisfactory bill immediately upon the reconvening of the Congress.

One of the measures which I have been urging upon the Congress ever since May of last year is that the Federal Government make provision to supplement the unemployment insurance benefits now provided by the different States.

While unemployment has not reached anything like the level which was feared, there is still need to provide at least some measure of subsistence to those men and women who do lose their jobs by the end of war production.

The Senate has passed an acceptable measure along these lines. But in the House of Representatives the bill is now locked up in the Ways and Means Committee. It will remain locked up in that committee unless *you* the people of the United States insist that it be reported out and passed.

On several occasions I have also asked that the Congress outlaw by permanent statute un-American discrimination in employment. A small handful of Congressmen in the Rules Committee of the House have prevented this legislation from reaching a vote by the Congress. Legislation making permanent the Fair Employment Practices Committee would carry out a fundamental American ideal. I am sure that the overwhelming mass of our citizens favor this legislation and want their Congressmen to vote for it.

I have also asked that the Congress raise substantially the amount of minimum wages now provided by law. There are still millions of workers whose incomes do not pro-

vide a decent standard of living. We cannot have a healthy national economy so long as any large section of our working people receive wages which are below decent standards. Although hearings have been held on this question in the Congress, no action has been taken.

The bills are now resting in the Education and Labor Committee of the Senate and in the Labor Committee of the House.

And so it goes with measure after measure now in the Congress. Time is running out. There are also other problems: comprehensive scientific research, universal training, a health and medical care program, an adequate salary scale for Federal employees, the Presidential succession, river valley development, and others.

Now I intend no blanket criticism of the Congress. Devoted and far-seeing men in both the Senate and the House have labored to make effective a program adequate to our needs. But if they are to succeed, they must be reinforced by *you*—the people they represent.

And let me make it very clear that when I speak of bills not getting any action, it is not the Congress as a whole which is responsible. All these measures—and many others—have been referred to various committees of the Congress. That is the regular procedure. There they await action. Generally speaking, unless the committees act to report the bills, the members of Congress as a whole never get a chance to vote for or against them.

It is the committees which hold up action on bills. Indeed, it is usually not even the whole committee. On many of these subjects, I personally know that there are individual members of the respective committees who are trying to induce their colleagues to report the bills. But often a bare majority of a committee—a handful of men—can pre-

vent a vote by the whole Congress on those measures of majority policy.

What I am asking is that these various committees at least give the representatives of the people a chance to vote "yes" or "no" on these vital issues—and that they give them that chance soon.

When I speak of my recommendations and proposals, I also want to make it very clear that I have no pride of authorship in them at all. There are, however, such things as "must" objectives. It is my responsibility to outline those objectives to the Congress and to you the people. And to attain those objectives there are certain steps which must be taken, to get us safely over this reconversion period and to establish and maintain a stable economy for the future.

If the measures which I have recommended to accomplish these ends do not meet the approval of Congress, it is my fervent wish—and I am sure it is the wish of my fellow-citizens—that the Congress formulate measures of its own to carry out the desired objectives. That is definitely the responsibility of the Congress. What the American people want is action.

In any discussion of action at this time, housing must be considered. In this field the Congress *is* cooperating, and there is much to be done.

Of the three major components which make up our standard of living—food, clothing, and housing—housing presents our most difficult problem. As for food, there is every prospect that 1946 will be a peak year of production. As for clothing, it is expected that production will reach a satisfactory level sometime this year. But in housing the situation is different.

We urgently need about five million additional homes. This does not include the replacement of millions of existing substandard dwellings in the cities and on the farms.

The greatest number of homes constructed in any one year before the war was less than a million. It is clear, therefore, that this is an emergency problem which calls for an emergency method of solution.

We must utilize the same imagination, the same determination that back in 1941 enabled us to raise our sights to overcome the Nazi and Japanese military might. With that imagination and determination we can mobilize our resources here at home to produce the housing we require.

Because of the critical need, I have appointed an emergency housing expediter. He will be empowered to use every agency of the Government and every resource of the Government to break the bottlenecks and to produce the materials for housing. The Government is determined to give private enterprise every encouragement and assistance to see that the houses are produced—and produced fast. Where private enterprise is unable to provide the necessary housing, it becomes the responsibility of the Government to do so. But it is primarily a job for private enterprise to do—a job which is a challenge as stimulating as any goal we set during the war.

The members of the Congress are now at home. During this period they will have the benefit of close contact with *you*—the people whom they serve.

From personal experience, I know that contact with the people back home helps every public servant. I urge you to tell your public servants your own views concerning the grave problems facing our country. In a free country the voice of the people must be heard.

I fully appreciate the many problems which Congressmen face. They have done a great wartime job under most trying conditions. The complicated return to peacetime has increased their difficulties.

I seek no conflict with the Congress. I earnestly desire cooperation with the Congress. Orderly procedure in the Congress is indispensable to the democratic process. But orderly procedure does not mean needless delay.

Stable world relationships require full production and full employment in the United States.

There are voices of defeat, dismay, timidity among us who say it cannot be done. These

I challenge. They will not guide us to success, these men of little faith.

We cannot shirk our leadership in the post-war world. The problems of our economy will not be solved by timid men, mistrustful of each other. We cannot face 1946 in a spirit of drift or irresolution.

The men and women who made this country great and kept it free were plain people with courage and faith.

Let us justify this heritage.

3 Letter Accepting Resignation of Admiral Land as Chairman and Member, U.S. Maritime Commission, and as Administrator, War Shipping Administration. *January 4, 1946*

Dear Admiral:

The time has come when it is incumbent upon me to acquiesce with the utmost reluctance in the wish to retire which you have so often expressed during the past few months. It is nevertheless with sincere regret that I accept your resignation as a Commissioner, United States Maritime Commission; Chairman, United States Maritime Commission; and Administrator, War Shipping Administration, effective at the close of business on January 15, 1946, in accordance with the terms of your letter of January second.

I can appreciate that after thirty-nine years in the Navy and nearly nine years on the United States Maritime Commission, all but one as Chairman, you are "war-weary", to quote your own phrase. That the job you undertook was a "headache" none will deny. But your lasting satisfaction will be the realization of your superb accomplishments.

The job which you faced was colossal: the provision of shipping space adequate to support military operations all over the face of the earth. That involved the construction

under your leadership of more than fifty million deadweight tons of merchant shipping—an achievement without a parallel in maritime history. There were also collateral problems involving administration, personnel, conversion and a hundred other things, all of which went into the job of creating and maintaining the largest merchant fleet ever built by one nation.

You have indeed done your bit and I am glad to accord to you the thanks of the nation which you have served with such fidelity and efficiency. You are entitled to a rest and after that I want to see you again active in a field which will give scope to your superb talents.

With every good wish,

Very sincerely yours,

HARRY S. TRUMAN

NOTE: Vice Adm. Emory S. Land was appointed a member of the Maritime Commission by President Roosevelt on April 16, 1937, and as Chairman in 1938. He was appointed Administrator, War Shipping Administration, on February 2, 1942. His letter of resignation was released with the President's reply.

4 Statement by the President on the Victory Clothing Collection for Overseas Relief. *January 6, 1946*

THIS WINTER more than 300 million war victims throughout the world are paying the cost of victory in poverty, disease, cold and hunger. In all the countries devastated by war, lack of clothing intensifies their hardships. Their need is immediate and desperate.

I therefore urge every American to heed the appeal of the Victory Clothing Collection for Overseas Relief. The spare gar-

ments contributed by Americans last spring has helped clothe twenty-five million men, women, and children in Europe, China and the Philippines, and has made possible the start of their rehabilitation this winter.

In sharing our comparative plenty with the less fortunate once again, we make the Victory Clothing Collection an expression of our gratitude to the Almighty for the victory won at so great a cost.

5 White House Statement on Anglo-American Committee Hearings on Palestine and the Problems of European Jews. *January 7, 1946*

THE Anglo-American Committee of Inquiry is beginning this morning to hold hearings on Palestine and the European Jews.

The President is glad to note that the Committee has started its proceedings so promptly. It is to be hoped that the Committee will be able successfully to complete its examination of the various matters con-

tained in its terms of reference.

The fact that the British Members of the Committee have agreed that the inquiry should begin in Washington is also particularly welcome as evidence of the spirit of cooperation which the President is confident will characterize all the operations of the Committee.

6 The President's News Conference of *January 8, 1946*

THE PRESIDENT. Well, I haven't anything to tell you especially this morning, and so I am open for questions to start with.

[1.] Q. Mr. President, would you care to tell us what you discussed with Mr. Schram this morning?

THE PRESIDENT. Mr. Schram asked for the appointment, and he came in to tell me that there was no inflationary trend in the stock market.

[2.] Q. Mr. President, out in Kansas City you said that after you had had a chance to read the foreign ministers communique, you would give us some comment on it. Would you be good enough to do that today?

THE PRESIDENT. Well, I was satisfied with the communique, and satisfied with the accomplishments of the foreign ministers conference in Moscow, and I think it will have

constructive results. One of them, I noticed in the New York Times this morning, has been accomplished in Rumania already.

Q. Mr. President, will you tell us why we plan now to recognize the governments in Rumania and Bulgaria without the guarantees of free and unfettered elections which were contained in the Yalta communique?

THE PRESIDENT. They are not going to be recognized without the communique's guarantees of free and unfettered elections. That guarantee has not been foregone. I still have the final say on what we will do in those two countries.

Q. We had the same agreement respecting Yugoslavia, Mr. President, and yet all the reports from there say that the elections were completely faked; and yet we recognize that state.

THE PRESIDENT. We have recognized them conditionally.

Q. Conditionally?

THE PRESIDENT. Yes.

[3.] Q. Mr. President, there is a story today that the Russians have an atom bomb about as big as a tennis ball—so much bigger and better than ours. Have you any reason, or has this Government any reason to believe that the Russians do possess—

THE PRESIDENT. This Government has no reason to believe it.

[4.] Q. Mr. President, would you care to elaborate on what you started to say about Yugoslavia then?

THE PRESIDENT. The Yugoslavian recognition was conditional and is still conditional. And it was necessary under the circumstances, because we had tentatively to recognize that government to begin with and go through with it. But we are still hoping for a better situation in Yugoslavia.

[5.] Q. Mr. President, do you expect to appoint new Ambassadors soon, either to Moscow or to Rome?

THE PRESIDENT. Not immediately.

Q. Not immediately?

THE PRESIDENT. Mr. Harriman has been trying to quit ever since the Germans folded up, but I have persuaded him to stay, for the reason that he has a knowledge of conditions over there that would be very hard for a new man to attain immediately, and he has been kind enough to continue on. But I am sure that he still wants to quit. I hope he won't quit in any hurry.

Q. What's the situation in Rome?

THE PRESIDENT. The situation is as it has always been.

Q. As far as Ambassadors—

THE PRESIDENT. That's right.

[6.] Q. Mr. President, would you care to comment on Secretary Byrnes's detailed explanation yesterday of the plan for the atomic energy commission?

THE PRESIDENT. I think Mr. Byrnes covered it very thoroughly and completely.

Q. What is the scope of that commission, Mr. President? Does it only advise the U.N.O. delegation, or has it anything to do with the domestic legislation?

THE PRESIDENT. It is only to advise U.N.O. delegates. Of course, it will finally wind up with presentation of a program to the Congress of the United States for ratification.

Q. How about the Senate Committee? Does it conflict with the Senate Committee in any way?

THE PRESIDENT. I can't understand the question?

Q. How about the Senate Atomic Energy Committee?

THE PRESIDENT. The Senate Atomic Energy Committee has the job of recommending legislation for the control of atomic energy in the United States.

Q. Well, you said that this committee would eventually make recommendations to the Congress?

THE PRESIDENT. This committee of U.N.O., we hope, will arrive at a conclusion for international control of atomic energy in such a way that everybody will be happy over it for peacetime purposes.

Q. Mr. President, it has been suggested that we stop manufacturing the atomic bomb. The suggestion was made by the Washington Post. Would you comment, sir?

THE PRESIDENT. I have no comment.

Q. Mr. President, would you comment on this committee to foreclose consideration by the Senate Committee of the international aspects of the atomic bomb?

THE PRESIDENT. It does not—it does not foreclose the Senate Committee from doing anything it chooses to do.

[7.] Q. Mr. President, I have a question here from Bend, Oreg. They are quite interested in legislation that has been introduced creating the Columbia Valley Authority, and they recall that in your Gilbertsville speech you said that the development of river valley commerce should be a matter for the people themselves to decide now. Do you contemplate such need of a referendum or community vote—

THE PRESIDENT. No, I do not. I do not. I think the referendum is in the Congress of the United States.

[8.] Q. Mr. President, that was a very varied group of Senators you had in here. Would you say what you talked about?

THE PRESIDENT. They were anxious for the distribution of mail in Germany.

Q. Did you tell them you approved?

THE PRESIDENT. I told them under present circumstances it was not possible, but that we were working towards that end.

Q. Senators McCarran and La Follette both?

THE PRESIDENT. Yes. McCarran, La Follette, Eastland, and Wherry.

Q. Could you tell us why it was not possible, Mr. President?

THE PRESIDENT. On account of the transportation system in Germany. As soon as the transportation system can be worked out for that purpose, and as soon as we can reach an agreement with Russia and France and England on the matter. This eventually will come about, of course.

Q. This include sending food through the mails?

THE PRESIDENT. It will include regular things that can be sent through the mails.

[9.] Q. Mr. President, do you want to say anything at all about these demonstrations of soldiers in various parts of the world, protesting against the slowing up of demobilization?

THE PRESIDENT. I don't know all the facts in connection with this situation in Manila, so I would prefer not to comment on it.¹

[10.] Q. Mr. President, if we could return to the atomic energy subject for just a moment, did you say that Mr. Byrnes' explanation yesterday should satisfy anyone who had any doubts about safeguards and control?

THE PRESIDENT. Yes.

Q. Those were the two things that seemed to be worrying the delegates.

THE PRESIDENT. That was the intention of Mr. Byrnes' statement. I think it is.

[11.] Q. Mr. President, it has been re-

¹ On January 9, the White House announced that the President had received a memorandum from the Chief of Staff, Gen. Dwight D. Eisenhower, concerning the demonstrations in Manila. General Eisenhower reported that on January 6-7 a series of demonstrations took place, and that the only one of any magnitude had been a mass meeting of 8,000 to 10,000 soldiers at the City Hall. He further reported that the discontent had been primarily caused by acute homesickness aggravated by the termination of hostilities, and that the men, who had performed magnificently under campaign conditions, were not inherently challenging discipline or authority.

ported that you have discussed an increase in the price of steel. Could you tell us about that?

THE PRESIDENT. There has been a discussion of an increase in the price of steel. As soon as the full figures for this last quarter are in, I think there will be some slight increase in the price of steel.

Q. Around \$2?

THE PRESIDENT. I don't know what the figure will be.

[12.] Q. Mr. President, I have been asked for your comment if you favor giving quotas for Indian immigration?

THE PRESIDENT. Yes. I favor doing the same thing for the Indians that we did for the Chinese.

[13.] Q. Mr. President, since your address to the country the other night, there have been some suggestions in Congress for a compromise on your suggestions for fact-finding legislation, a compromise to the effect that the 30-day cooling-off period and the power of subpoena would be removed. In the event that the committee worked out such a bill, would that be satisfactory to you?

THE PRESIDENT. I don't think that would accomplish anything. That was founded on the Railroad Act, which has worked rather successfully. And it was my intention to use the pattern, which the Railroad Act had set up for us, in those industries which have countrywide effect on the welfare of the people. It wouldn't be possible in local matters. In fact, I think the local people will have to take care of that situation themselves.

[14.] Q. Mr. President, to come back to the Moscow conference a second, do you fully approve the agreement regarding Japan, sir?

THE PRESIDENT. Yes.

Q. I remember on the 25th of September you couldn't see any reason why there should be a control advisory commission.

THE PRESIDENT. I don't think I ever made any such statement as that. I was always in favor of an advisory committee for Japan, and I think our allies—I think our allies were entitled to that. Always have thought so.

[15.] Q. Mr. President, in view of your strong inflation stand, I wonder whether you would relate the prospective increase in the price of steel with other prices, so that the country could be clear about it?

THE PRESIDENT. I am not in any position to make a statement about the subject now. I will make it at the proper time.

Q. Mr. President, do you have any reason to believe that the forthcoming steel increase which you just mentioned might prevent the steel strike next week?

THE PRESIDENT. I have no statement to make on the subject. When it is the proper time, I will make a statement on it.

[16.] Q. Mr. President, for some months there has been a vacancy on the Civil Aeronautics Board. Do you expect to fill that vacancy sometime soon?

THE PRESIDENT. As soon as I can find a man that suits me, I will do it.

Reporter: Thank you, Mr. President.

[17.] THE PRESIDENT. I will read you something here. [*Laughter*] I have some—I never thought about this. I should have read it first.

I have a question pending down in the Congress on succession, and I have the solution in here, a telegram from Texas which I am going to read to you because it's pretty good.

[*Reading*] "With total membership of 57, this organization has 56 vice presidents."

[*Laughter*] "They are hereby tendered you to solve the matter of Presidential succession for all time. When necessary to act as a board, meetings can be held at the branch White House at Truman, Tex. The Bonehead Club of Dallas."

[*Much laughter*]

Reporter: Thank you, sir.

THE PRESIDENT. That's all.

[18.] [*Following the news conference the President met a group of Danish newsmen.*]

THE PRESIDENT. It is a pleasure to meet you, gentlemen.

Borge Houmann (newspaper "Land og Folk"): Mr. President, I have been elected to extend our deepest gratitude for this journey, which is just about completed around your country. We have seen many things of extreme interest, and we have had brought home to us a picture of some remarkable contributions made by your country toward winning the war.

We have great interest seeing that our two countries are on a very amicable basis, even more so than some of us sometimes thought at the beginning of the war; and we feel, all of us, that this spirit of cooperation and good will has been very much strengthened by this journey. We feel that it will continue between our two countries and contribute to the mutual welfare of both our countries. Mr. President, you have the everlasting gratitude of all of us.

Well, you no doubt have heard of the underground work during the war in Denmark in organizing, and conducted by a few members of the underground movement—the Freedom Council in Denmark. We feel that in doing that work we contributed—although very, very little—towards winning the war. But most of the work we have

been able to do we would have been unable to accomplish without the aid of the Allied army forces. In fact, without this aid, we feel sure that neither our country nor any other of the occupied countries of Europe would by now have been liberated from the yoke of Naziism.

On behalf of the Freedom Council of Denmark, of which I was a member, I take pleasure in presenting to you this arm band, which was the insignia of the Danish underground movement in the days before liberation on the 6th of May.

I present it to you as a token of fighting Denmark's undying gratitude and unbounded appreciation of what you have contributed.

THE PRESIDENT. I thank you very much. It certainly is a grand thing. I will have that framed, and keep it as one of the mementos of the administration.

Do you represent all Scandinavian countries, or just—

Voices: Only Denmark.

THE PRESIDENT. Well, I have always had a warm spot in my heart for Denmark, and for Norway and for Sweden. I do appreciate what Denmark did in this war. They really made a contribution, under circumstances that were most trying. We feel very friendly toward your country.

Thank you very much for this.

NOTE: President Truman's forty-first news conference was held in his office at the White House at 10:37 a.m. on Tuesday, January 8, 1946.

7 Citations Accompanying Distinguished Service Medal Presented to General Henry H. Arnold. *January 8, 1946*

CITATION FOR DISTINGUISHED SERVICE MEDAL (Oak Leaf Cluster)

GENERAL OF THE ARMY Henry H. Arnold, United States Army. For exceptionally meritorious and distinguished service in the performance of duties of great responsibility as Chief of the Air Corps from September 29, 1938 to May 31, 1941, as Deputy Chief of Staff for Air from November 29, 1940 to March 8, 1942, and as Chief of the Army Air Forces from June 20, 1941 to March 8, 1942. He performed the duties required by the office in a superior manner during the most strenuous and trying period in the history of the air arm. During this period, an Air Corps Program of Expansion and Procurement was inaugurated whereby the personnel of the Air Forces was increased in excess of a thousand per cent and the number of aircraft increased proportionately. A program of expansion and procurement of this magnitude demanded comprehensive planning, its execution required outstanding ability, foresight, and leadership, all of which were exhibited by General Arnold in a high degree. He impressed this high quality of leadership, so vitally needed during this period of readjustment and difficulties, on the Air Forces as a whole, thereby maintaining at the highest standard the morale and efficiency of the personnel of the Army Air Forces for the accomplishment of the tasks before them.

HARRY S. TRUMAN

CITATION FOR DISTINGUISHED SERVICE MEDAL (Oak Leaf Cluster)

AS COMMANDER of the Army Air Forces during World War II, General Henry

H. Arnold gave his nation outstanding service. To him fell the mission of building American air power for a global war in which victory or defeat depended on control of the skies. He fulfilled his mission in a manner that overwhelmed this nation's enemies and awed its allies. He welded the civilian productive genius of the aircraft industry, an expert military nucleus and more than 2,000,000 American soldiers to form an indomitable, unprecedented destructive weapon which coordinated with our land and sea forces to obliterate the Axis powers. As a member of the Joint Chiefs of Staff and the United States and British Combined Chiefs of Staff, General Arnold helped shape the strategy and direct the resources of the victorious Allied forces. His wide knowledge of the employment of air power was of great value to the deliberations of the Chiefs of Staff. From concept to execution, General Arnold's leadership guided the mightiest air force in history. No single factor of the great allied victories was more vital than the destruction of the capacity of Germany and Japan to wage modern technological warfare. The long range precision attacks of massed airpower which accomplished this objective were the products of his genius. At the same time General Arnold directed the training and equipment of the United States Tactical Air Force so that when the great decisive three-dimensional battles of World War II were joined, his fighters and attack bombers were ready to sweep the skies of the enemy and deny him mobility on the surface. During the growth of the Air Arm, General Arnold constantly increased the effectiveness of its activities by imaginative conceptions con-

cerning the application of air power to strategy and tactics and by the development of potent new weapons. By his personal leadership, his driving spirit, and his professional genius, General Arnold made a

great contribution to our war effort.

HARRY S. TRUMAN

NOTE: The presentations were made by the President in a ceremony in the East Room at the White House at 12 noon.

8 Statement by the President on Demobilization.

January 8, 1946

THERE IS, naturally, great discussion both in public and in private as to when the members of our individual families in military service will return home. There are some who feel that all fathers should be released at once. The parents of young men whose education has been interrupted feel that they should be given an immediate opportunity to resume their studies. Others feel equally strongly that first consideration should be given to men who are needed in certain occupations at home.

The armed forces have been reduced as fast as possible. For many reasons it is impossible for every member of the armed forces to be discharged promptly.

First, there is the enormous size of the task involved.

Second, there is the fact that our Nation must assume its full share of responsibility for keeping the peace and destroying the war-making potential of the hostile nations that were bent on keeping the world in a state of warfare.

Already the critical need for troops overseas has begun to slow down the Army's rate of demobilization. This is not an arbitrary action on the part of the Army. It is an inescapable need of the nation in carrying out its obligation in this difficult and critical postwar period in which we must devote all necessary strength to building a firm foundation for the future peace of the world. The future of our country now is as much

at stake as it was in the days of the war.

To satisfy myself that demobilization is being carried out with all possible speed, I have reviewed once more the Army and Navy procedures. I am convinced, as every other American who examines the record must be, that the services are carrying out demobilization with commendable efficiency and with justice to all concerned.

The task has been enormous. The Army has now released well over half the 8,300,000 in service when the European fighting stopped. More than four and three-quarter million men and women have passed through the separation centers.

The Navy has pursued an equally vigorous policy in speeding the separation of its men and women. Out of a peak strength of 3,500,000, the Navy has already returned close to a million and a quarter to civilian life. From the Marine Corps, which totaled nearly 486,000, more than 183,000 have been discharged. The Coast Guard, with 180,000 men, has demobilized over 74,000.

These numbers are staggering when you consider what they mean in ships, in extensive staffs required to carry out processing before discharge, and in rail transport sufficient to carry these soldiers, sailors and marines to their homes once they reach our ports. The wonder is not that some of our soldiers, sailors and marines are not yet home but that so many are already back at their own firesides.

There are, it is true, parents who are still waiting for the return of their sons. There are young men in service who are anxious for the chance to find jobs and establish homes. There are others eager to continue their education. There are wives and children impatiently awaiting the return of their husbands and fathers. To prefer the members of any single group, however appealing

their claim, would be to ignore our obligation to give first consideration to the individuals who have made the heaviest sacrifices.

NOTE: The release noted that the statement was issued in response to many appeals that had been made to the President for the discharge of various groups from the Armed Forces.

9 Statement by the President on Releasing Report of Fact-Finding Board on the General Motors Labor Dispute. *January 10, 1946*

I HAVE RECEIVED and am releasing for publication the report of the Fact-Finding Board appointed in the General Motors dispute. The Board makes the following recommendations:

1. That the Company grant a general wage increase of 19½ cents an hour. The report shows that a large part of this increase is for a cost-of-living adjustment to the workers, who have received no general wage increase since 1942. The balance is to compensate for loss of earnings due to shorter hours and other factors.

2. That "in line with the customary practice of American industry in similar situations . . . the status quo prevailing before the strike be restored by the reinstatement of the 1945 contract between the parties, which the Company cancelled on December 10, 1945 (as it had a right to do)."

3. That "after the reinstatement of the contract and pending its expiration on April 28, 1946 the parties settle by collective bargaining the remaining issues between them."

4. That "the strike be called off and that

the employees be returned to work without discrimination because of their participation in the strike."

5. That "the management, the Union, and the workers join in a wholehearted effort to restore production as speedily as possible; to continue it without interruption; and to lift it to new levels of efficiency and capacity in the interests of all the people."

The report is a thorough and reasoned document. I believe that it will commend itself to the good judgment of the American public. I sincerely hope that the parties will follow the recommendations and bring about a speedy end to this most costly conflict. I am satisfied that if such a settlement is made, the industrial skies will rapidly clear and American industry and labor will go forward to new heights of achievement in the interests of the whole country.

NOTE: The full text of the report and a White House summary were released with the statement.

The members of the fact-finding board were Lloyd K. Garrison, Chairman, Milton S. Eisenhower, and Judge Walter P. Stacy.

10 Letter to the Speaker of the House Transmitting Proposed
Reductions in Appropriations. *January 11, 1946*

The Speaker of the House of Representatives:

SIR: Pursuant to the provisions of the Second Deficiency Appropriation Act, 1945, and the Military Appropriation Act, 1946, I have the honor to transmit herewith for the consideration of Congress proposed rescissions and provisions as set forth in the letter of the Director of the Bureau of the Budget in whose comments and observations thereon I concur.

These recommendations are the result of the continuous review of the war and war-related appropriations and authorizations which I indicated in my previous recommendations would be made. There is need for further efforts in this direction and I have directed that the review be continued.

The amounts here recommended for rescission, together with those set forth in the

enrolled bill, H.R. 4407, are being placed in a nonexpendable status, pending the enactment of legislation.

Respectfully yours,

HARRY S. TRUMAN

NOTE: A White House release of January 14, describing the proposal, stated that the President had recommended repeal of appropriations aggregating \$5,751,428,483 and of contract authorizations of \$420,079,000 and that he had proposed a return to the Treasury of \$346,890 in corporate funds. The release also stated that these amounts were in addition to the net rescissions of \$50.3 billion approved by the Congress at the close of its last session. The release added that the appropriations now recommended for rescission included \$1,503,971,475 for the civil agencies of the Government, \$1,420,576,472 for the Military Establishment, and \$2,826,880,536 for the Naval Establishment.

The details of the proposal as set forth in the letter of the Director of the Bureau of the Budget, transmitted with the President's letter, are printed in House Document 394 (79th Cong., 2d sess.).

11 Citation Accompanying Distinguished Service Medal Presented to
General William J. Donovan. *January 11, 1946*

CITATION FOR DISTINGUISHED SERVICE MEDAL
(Oak Leaf Cluster)

MAJOR GENERAL William J. Donovan served in the highly important and responsible position of Director of Strategic Services, Joint Chiefs of Staff, from June 1942 to August 1945. With ability, judgment and foresight he anticipated the need for secret intelligence, research and analysis, and the conduct of unorthodox methods of warfare in support of military operations. He extended his organization to operate in overseas theaters and neutral areas, and through

his many diversified activities gave valuable service in the field of intelligence and special operations to theater commanders, the Joint Chiefs of Staff, the State Department and other government agencies. Through his successful achievements, General Donovan contributed in a high degree to the success of military operations in the prosecution of the war.

HARRY S. TRUMAN

NOTE: The presentation was made by the President in a ceremony at the White House at 12:45 p.m.

12 Statement by the President Following a White House Meeting To Avert a Steel Strike. *January 12, 1946*

THE SECRETARY OF LABOR, Mr. Schwellenbach; Mr. John W. Snyder of the Office of War Mobilization and Reconversion; and Dr. John R. Steelman, Special Assistant to the President, have been in conference most of the afternoon with Mr. Benjamin F. Fairless, representing the United States Steel Corporation, and Mr. Philip Murray, representing the United Steel Workers.

Mr. Fairless made an offer on behalf of the steel corporation. Mr. Murray countered

with an offer on behalf of the Union.

Mr. Fairless asked for more time to present the proposition to the steel companies, as he could not speak definitely for his own company or the other companies on the counter-proposal of Mr. Murray.

At the request of the President, Mr. Murray agreed to postpone the calling of the strike for one week, during which time collective bargaining will proceed under the auspices of the President.

It is my belief that an agreement will be reached.

13 Citation Accompanying Medal for Merit Presented to Byron Price. *January 15, 1946*

CITATION TO ACCOMPANY THE AWARD OF THE
MEDAL FOR MERIT TO BYRON PRICE

FOR EXCEPTIONALLY meritorious conduct in the performance of outstanding services as Director, Office of Censorship, from December 20, 1941, until August 15, 1945. Faced by a choice on one hand of instituting a system of voluntary censorship with the attendant danger to our military effort from careless publication or broadcast and, on the other hand, the only alternative of compulsory censorship which carried the potentiality of blacking-out the freedom of the press for the duration, Mr. Price chose to exercise his faith in the integrity of the personnel and organizations responsible for the communication of news to the public by initiating an experiment in wartime censorship unique in its inception and execution, previously untried in any country. Throughout this period the total American war effort was shared in its individual parts by thousands and frequently by millions of people; ships, planes, troops, munitions and

supplies were assembled and moved to war theaters in overwhelming force; submarines raided the enemy's far flung supply lines; German and Japanese submarines were hunted down and destroyed by a combination of tactics, weapons and devices that could similarly have been used against us; scientific laboratories developed and factories produced radar and the atomic bomb and they were put to devastating use; knowledge of these vast activities was in possession of press and radio media and was voluntarily withheld from publication or broadcast. By his distinctive and complete success in discharging his responsibilities as Director of Censorship, Mr. Price has demonstrated the strength of this country in its unity in time of stress and has contributed vitally to our hold upon one of the freedoms for which we were fighting and essential to our democratic way of life—the freedom of the press.

HARRY S. TRUMAN

NOTE: The presentation was made by the President in a ceremony at the White House at 11:45 a.m.

14 Citations Accompanying Legion of Merit Presented to Three
Members of the White House Signal Detachment, U.S. Army.
January 15, 1946

CITATION FOR LEGION OF MERIT

CHIEF WARRANT OFFICER Frank G. Stoner, W2139797, Army of the United States, as Cryptographic Maintenance Technician, and later, Assistant Signal Officer, White House Signal Detachment, during the period September 1942 to December 1945, contributed materially to the security and efficiency of vitally important communications for the President of the United States. His highly meritorious services assured protection of communications affecting the President's safety and the progress of the war.

HARRY S. TRUMAN

CITATION FOR LEGION OF MERIT

CHIEF WARRANT OFFICER Horace K. Caldwell, W2139798, Army of the United States, as Chief Cryptographer, later, Supply Officer and Personnel Officer, White House Signal Detachment, from April 1943 to November 1945, contributed importantly to

protection of communications vital to the progress of the war. He displayed unusual initiative and devotion to duty in the proper operation of all cryptographic equipment used for Presidential communications.

HARRY S. TRUMAN

CITATION FOR LEGION OF MERIT

LIEUTENANT COLONEL Dewitt Greer, O465754, Signal Corps, Army of the United States, rendered vitally important service as Assistant Commanding Officer, later Commanding Officer, White House Signal Detachment, and as Signal Officer and Cryptographic Security Officer, The White House, from 2 May 1942 to 3 January 1946. Lieutenant Colonel Greer contributed immeasurably to the provision, installation, and operation of secure, accurate, reliable and fast communication for the President of the United States.

HARRY S. TRUMAN

NOTE: The presentations were made by the President in a ceremony at the White House at 12:15 p.m.

15 The President's News Conference of
January 15, 1946

THE PRESIDENT. [1.] The first announcement I want to make is that the Message on the State of the Nation and the Budget Message will go down together on Monday.

On Saturday morning at 10:30, in the White House movie theater, we will discuss the Budget Message with those who are interested, as is usually done each year.

Now I am ready for questions.

Q. Mr. President, why is the—why has there been a delay in the State of the Union Message? Is it hooked up with the labor situation?

THE PRESIDENT. No. It was a decision shortly arrived at, that one message is enough. The State of the Union Message and the Budget Message will go down together.

Q. One document?

THE PRESIDENT. It will be one document.

[2.] Q. Mr. President, Senator Barkley said on Monday that it would be unseemly for Congress to do any business until this Message had gone up. Are they released now to go ahead?

THE PRESIDENT. They have been released ever since they met. I have no strings on them. [*Laughter*]

[3.] Q. Mr. President, what did you and Mr. Farley talk about this morning, and did it include New York State politics?

THE PRESIDENT. It did not include New York politics.

Q. Could you tell us what else?

THE PRESIDENT. Everything else under the sun. Oh, personal matters, principally.

[4.] Q. Mr. President, the delegation in London seems to be divided on the question of whether or not the Japanese mandated islands that we conquered out in the Pacific should be placed under a U.N.O. trusteeship. What is the administration's policy on that?

THE PRESIDENT. Those that we do not need will be placed under a U.N.O. trusteeship.

Q. And those that we need—

THE PRESIDENT. We will keep.

Q. —we will annex, sir?

THE PRESIDENT. We will keep.

Q. Forever?

THE PRESIDENT. That depends. As long as we need them.

Q. Will we go through a form of individual trusteeship for—

THE PRESIDENT. Yes. Yes, it will be under an individual trusteeship.

Q. For the islands we need? The others will be collective?

THE PRESIDENT. That's right.

Q. Wouldn't that be under the Security Council?

THE PRESIDENT. I beg your pardon?

Q. Will that be under the Security Council?

THE PRESIDENT. Yes. Just like all the rest of them.

Q. Well then, Mr. President, the way that will work out will be that there will be some islands under our trusteeship and some under the individual trusteeship of other nations?

THE PRESIDENT. Well, no. It will be through collective trusteeships, in most instances.

Q. You envision that we will be the only nation that will have individual control—

THE PRESIDENT. That is not necessarily the case. We will have to work those things out as we come to them, and inaugurate the policy as we go along.

Q. On those islands where we are the sole trustees, will we know the United Nations are all for that?

THE PRESIDENT. Yes.

[5.] Q. Mr. President, what about the union picture—the labor picture? Anything new come to you?

THE PRESIDENT. All I know is what I see in the papers.

Q. Mr. President, some of the supporters of the Hobbs antilabor-racketeering bill on the Hill complain that it is stymied in congressional committees. The question is whether in view of your radio speech you have any comment to make on that?

THE PRESIDENT. The House, which is considering it, should be allowed to vote on it the same as any other legislation.

[6.] Q. Mr. President, in accepting the General Motors factfinding board's increase, the union put a limit of a week on its acceptance. Do you have any comment on that?

THE PRESIDENT. No comment. I approved the report of the factfinding commission.

Q. Do you have any comment on this—on this contract that was signed by Kaiser-Frazer, where they added a bonus?

THE PRESIDENT. I am not familiar with the contract. Of course, I am glad that the collective bargaining in that case was a success. That's all I can say about it. I have never seen the contract.

[7.] Q. Mr. President, at the end of the Fairless-Murray meeting the other day, Mr. Ross told us that—in giving us a sort of narrative—that Mr. Fairless made a proposal and Mr. Murray made a counterproposal. Was that Fairless proposal a new proposal, or a reiteration of one of his old ones?

THE PRESIDENT. I can't answer that. All I know is that he made the proposal and then Murray made the counterproposal. It all took place before he came here.

Q. Is that a new proposal?

THE PRESIDENT. I can't answer that. You will have to ask Mr. Fairless.

Q. Was an increase in the price of steel discussed at those meetings?

THE PRESIDENT. It was not.

Q. Was that above 15 cents, sir?

THE PRESIDENT. No, it was not.

[8.] Q. Mr. President, it has been announced that there will be an addition built to the White House ¹ in the back here. Some of our leading architects are opposed to the—

THE PRESIDENT. What leading architects? [Laughter]

Q. The American Institute of Architects.

THE PRESIDENT. I have never been in touch with the American Institute of Architects. And the Park and Planning Commission

have approved the program, and all the architects we have talked to are in favor of the program. And it is built principally for *your* benefit. I am going to have an auditorium in which you gentlemen can sit down and ask me questions. [Laughter]

Q. These architects, Mr. President, feel that the White House should be the President's home.

THE PRESIDENT. Well, I feel that way, too. But this has no connection whatever with the White House. This is an addition to the offices of the President.

Q. That is what they are opposed to. They think—

THE PRESIDENT. They don't want the President to have any offices to work in. It's just something to talk about.

[9.] Q. Mr. President, getting back to the Pacific Islands, there are several islands below the Equator which I understand are not Japanese mandated. Are you interested in those?

THE PRESIDENT. Only in conjunction with our allies.

Q. Mr. President, have we decided which of the mandated islands we need?

THE PRESIDENT. We have not.

Q. We have not?

[10.] Q. Are you still hopeful that the steel strike will be settled—on the steel—

THE PRESIDENT. Yes, I am.

[11.] Q. Mr. President, I am curious to know why you are combining the messages?

THE PRESIDENT. Because I think it is necessary that they should be combined. The State of the Union is wrapped up in the Budget.

Q. But you meant to send two?

THE PRESIDENT. Well, I didn't necessarily mean to send two. After giving the matter a great deal of study, I came to the conclusion that one message would be just as good as two, and in fact a little better, I think.

¹ A White House release, dated January 11, outlined plans for the work, noting that the \$1,650,000 construction project would be divided into four main units: (1) addition to the Executive Offices; (2) completion of the East Wing; (3) interior alterations to the Mansion; and (4) landscaping and improvements to the grounds.

Q. Mr. President, how long is that going to be, when you put them together?

THE PRESIDENT. Well, it will be long enough to keep you busy for quite some time. [*Laughter*]

[12.] Q. The Mayor of Chicago just told us that he discussed with you the—a way to prevent all of these firearms coming into the country as souvenirs and being used in a bad way in this country; and he said that Mr. Hannegan might do something to stop that. Can you tell us about that?

THE PRESIDENT. He did discuss it with me. We have been looking into that situation for quite some time and are trying to take the necessary steps to prevent those implements of destruction from getting into the wrong hands.

[13.] Q. Mr. President, have you come to any decision on raising the price of steel?

THE PRESIDENT. No, I have not. That hasn't been discussed with me.

[14.] Q. Mr. President, a moment ago, when someone asked you about possible comment on labor's stand in this General Motors strike, you said you had nothing more to say than that you had approved the factfinding. Does that preclude any comment on management's stand?

THE PRESIDENT. Management didn't take much interest in that factfinding report, and I hope that they will at a later date.

[15.] Q. Mr. President, have you any sort of comment on demobilization?

THE PRESIDENT. I think General Eisenhower covered that very thoroughly this morning before the Congress, as did the Navy. I have a copy of the statement here, which I haven't had a chance to read yet.

[16.] Q. Mr. President, how do you feel about the general progress of the United Nations meeting in London?

THE PRESIDENT. I think it is doing remarkably well. And I think it is going to

accomplish the purpose for which it was intended; that is, keep the future peace.

Q. Mr. President—

Q. Mr. President, are there any plans—

THE PRESIDENT. Let me answer the lady's question, and then I will answer yours.

[17.] Q. Did the Anglo-American Committee of Inquiry leave any preliminary recommendations or report with you this morning?

THE PRESIDENT. No. They did not have facts enough to base any preliminary report on.

[18.] Q. Mr. President, are there any plans for taking over the meatpacking industry?

THE PRESIDENT. There are not.

[19.] Q. Mr. President, do you expect to discuss the St. Lawrence Seaway in your State of the Union Message?

THE PRESIDENT. I don't think so. I sent a special message on that, and that special message still stands.

[20.] Q. Mr. President, General Eisenhower said this morning that the requirements of the Army for a million and a half men by July 1st couldn't be met unless the recruiting program, or the enlistments under Selective Service were increased, that they were now well below the 50,000 a month that they needed. Are there any plans to increase the Selective Service call now, to hitch it up to that?

THE PRESIDENT. We have been asking the Selective Service for 50,000 a month. I think the greatest number they have ever got was 37,000.

Q. Is there anything that can be done to bring that up?

THE PRESIDENT. I don't know of anything. Selective Service has that—

[21.] Q. Mr. President, has anybody intervened with you in behalf of this boy who is accused of killing two Japanese?

THE PRESIDENT. No.

Q. Have you anything on it?

THE PRESIDENT. I have had no official word on it. All I know about it is what I have seen, the Post article in the paper.

[22.] Q. Mr. President, when are you sending up the special message on the British loan?

THE PRESIDENT. After the annual message goes up, yes.

[23.] Q. Mr. President, do you have any plans for asking any additional authority over labor disputes, in addition to your fact-finding? The reason I ask that is this: under your factfinding procedure as proposed—such as has been gone through with this subpoenaing of the books at this time—you have a strike more than 30 days old so that the situation will be just as it is now. I am wondering whether you have any other plans?

THE PRESIDENT. No. I think a factfinding setup would answer the purpose. It has worked very satisfactorily in the railroad program, and that was where I got the idea. I have been on the Interstate Commerce Committee of the Senate, and studied that situation very thoroughly, and have ap-

pointed, since I have been President, several factfinding committees for railroad disputes. They worked very successfully.

Q. The reason I asked that, sir, was this: if this bill had been passed before this General Motors factfinding board had been named—

THE PRESIDENT. I think the General Motors strike would have been settled, if that had been done.

[24.] Q. Mr. President, could you tell us anything about Mr. Locke's report? You remember in Kansas City you said it would be out in a few days.

THE PRESIDENT. We decided to hold it up for a future release until General Marshall's job is completed in China.

Q. You haven't got any idea at this time, then, when that might be?

THE PRESIDENT. No. It will be released at a very much later date.

Reporter: Thank you, Mr. President.

NOTE: President Truman's forty-third news conference was held in his office at the White House at 4:05 p.m. on Tuesday, January 15, 1946. The White House Official Reporter noted that John R. Steelman, Special Assistant to the President, John W. Snyder, Director of the Office of War Mobilization and Reconversion, and Postmaster General Robert E. Hannegan were present at the conference.

16 Statement by the President Following Rejection of His Compromise Offer by the U.S. Steel Corporation.

January 18, 1946

I HAVE just been informed that the United States Steel Corporation has refused to accept the compromise offered by me yesterday in the United States Steel Corporation-United Steel Workers controversy.

The original demand made by Mr. Murray in this case was for an increase of 25¢ per hour, or about 23%. The original offer made by the United States Steel Corporation

was 12½¢ per hour increase, or 11.6%. As a result of their final meeting in collective bargaining they had arrived at the following impasse: Mr. Murray had come down to an increase of 19½¢ per hour, or 18%, and Mr. Fairless had come up to an increase of 15¢ per hour, or 13.9%.

I have studied the facts and figures very carefully. The fact-finding board in the

steel industry has reported to me informally. It has not had the opportunity to go into the merits of the case very fully, as it would have done if there were legislation now on the books for a "cooling-off" period. Nevertheless, after hearing the board and after long consideration, I believe that the suggestion made by me of 17.1%, or 18½¢ per hour, is fair.

In the General Motors case, the fact-finding board, after four weeks of hearings and consideration, reported to me that a settlement of a 17.4% increase, or 19½¢ per hour, was fair and reasonable under all the circumstances, to both parties. I approved and still approve that finding. The union has accepted it, but the company has refused. While of course no one finding by any fact-finding board is conclusive or even persuasive in other cases, the fact is that the present general circumstances surrounding these two disputes are similar.

It is a matter of great regret to me, and I am sure that it will be to all the people of the United States, that all our efforts to avoid this steel strike have up to now failed. A strike in the steel industry will be felt in practically every major industry in the United States. It will hamper our recon-

version effort. It will stall our attempts to establish a sound economy to which our veterans can return. Its repercussions will be felt all over the country and for a long time to come. I still hope, and on behalf of the great mass of American citizens strongly urge, that my suggestion of settlement be adopted by the United States Steel Corporation.

I am not endeavoring to set a pattern for all industry. Each controversy should be worked out on its own merits. The agreements should be reached in every case by free collective bargaining.

In this connection I regret that we do not have legislation, such as I have recommended, which would require a cooling-off period of 30 days. During these 30 days, I am confident that some settlement could be reached. I urge the United States Steel Corporation on the ground of the public interest, as well as good business, to accept this settlement.

NOTE: On the same day the White House released a letter dated January 18 from Philip Murray, President of the United Steelworkers of America, accepting the President's proposal, together with a statement giving the chronology of the steel wage negotiations at the White House on January 12, 16, and 17.

17 The President's News Conference on the Budget.

January 19, 1946

THE PRESIDENT. This is the first time you have had a chance to sit down. [*Laughter*]

[1.] You never saw a bigger one than that, I bet. [*Indicating the Budget book*] I have got a file of them all, since 1934, and they are right interesting.

This Budget is—well, unique in one way. It is a Message on the State of the Union and the Budget, and it has in it anticipated authorizations which have been recom-

mended by me in various messages, as well as the actual budget figures which are required to run the Government in its various phases. It also for the first time shows that it will not be necessary to borrow any money this year to operate, because the cash balance as it now stands is large enough to absorb the excess—estimated excess over expenditures.

[2.] The other highlight in the thing,

I think, is the statement that the tax structure should remain as it is, if we expect to arrive at a point where we can actually balance the Budget in the next year after this one.

If I had wanted to make a showing, I could have left out the anticipated expenditures for the legislation which has been recommended, and it would show a balance this year; but I think the fair thing to do is to place before the Congress and the people the exact situation as nearly as we can estimate it, and that it should cover everything that is anticipated. That is the attempt that has been made in this document.

It is very clearly stated in the first—on the first page; that is, page V (p. 37),¹ and the top of page VI (p. 37). I don't need to read that to you, for you can read as well as I can.

And then the budget proper, on page XLVII (p. 66) Summary of Budget, as stated at the bottom of page XLVII (p. 66), effectively sets out the program as it is. Then you will find on page LIII (p. 71) the Federal Revenue, Borrowing, and the Public Debt, and the Financial Requirements, and it also sets out the Tax Policy. The "meat" on that is on page LIV (p. 72).

In the second paragraph [*reading*]: "In view of the still extraordinarily large expenditures in the coming year and the continuing inflationary pressures, I am making no recommendation for a tax reduction at this time."

Then, at the bottom of the page, the last paragraph there [*reading*]: "Because of the success of the Victory loan, I am happy to

report that the Treasury will not need to borrow any new money from the public during the remainder of the present fiscal year except through regular sales of savings bonds and savings notes. Furthermore, a part of the large cash balance now in the Treasury may be used for debt reduction so that the public debt which now amounts to about 278 billion dollars will decrease by several billion dollars during the next 18 months. The present statutory debt limit of 300 billion dollars will provide an ample margin for all of the public-debt transactions through the fiscal year 1947. The net effect of the excess of expenditures and debt redemption on the Treasury cash balance, as compared with selected previous years, is shown in the following table."

Then it shows what is anticipated at the end of 1947. It is anticipated that the budget will be reduced by about \$7,100 million, and that the cash balance will be reduced from 26 billion to 3 billion, 200 million dollars.

And I think that covers the fundamental budget as nearly as I can cover it.

And if you want to ask questions, I will do my best to answer them.

[3.] Q. In 1946 you are going to reduce the cash balance by \$12 billion; is that correct?

THE PRESIDENT. Look at that table there.

Mr. Smith: Yes, that is correct.

Q. Twelve billion?

THE PRESIDENT. That is on page—

Q. Sometime in June you will reduce—

THE PRESIDENT. Begin to be reduced at that time. Page LV (p. 72) covers it. It sets it out in detail just exactly what is anticipated. If you will notice there, the June and—January–June 1946, it is expected to reduce the budget by 3 billion. That will reduce the cash balance to \$11,900 million, or practically a little more than half.

Q. Well, Mr. President, is 3.2 billion the

¹Page references in parentheses, throughout this news conference, indicate where the subjects referred to may be found in the message on the budget as printed herein (Item 18); all other references correspond to the page numbers in the Budget as published in House Document 411 (79th Cong., 2d sess.).

level of the cash balance which is contemplated, after this period of readjustment?

THE PRESIDENT. Yes.

Q. It is?

THE PRESIDENT. Yes.

[4.] Q. Mr. President, on page LXXIII (p. 86), you allow for an aggregate of 5,368 total outlay for international finance this year, and through 1947. Well, could you tell us exactly how much of that will go into the proposed British credit?

THE PRESIDENT. No, I can't.

Q. You can't?

THE PRESIDENT. I don't know what they are going to ask for. We have to wait and see what they are going to ask for. Their credit extends over a period of years. They can draw on it on the basis of what they themselves think they need.

Q. I thought possibly, though, that you had a preliminary figure in mind there. In other words, you said that they will draw rather heavily on it the first 2 years.

THE PRESIDENT. That is correct. That is correct.

Q. I thought possibly you had something in mind about that figure?

THE PRESIDENT. Well, of course, in order to make up the budget, we did make an estimate of that, but it is only a preliminary estimate. We have no way of knowing exactly what that figure will be.

Q. I see.

Mr. Appleby: If I may, Mr. President, I might suggest that the figure in here is a complicated one, covering several different kinds of transactions, and the figure here is ample to cover all of those transactions, including the maximum of what is reasonably possible that the British will draw down; but in each case there are uncertainties. That is sort of balanced over in the total. We don't know, for example, how much the Export-Import Bank will lend. We don't

know just how much the British will take down. But this estimate, as a whole, will cover all of those transactions.

Q. Is there any hypothetical estimate for what you might anticipate the British to take down on their loan in the fiscal year?

Mr. Appleby: Not to give out.

Q. Each item in it is indefinite and uncertain?

Mr. Smith: They represent highly intelligent guesswork, but they are not accurate.

Q. Is that based on any informal understanding?

Mr. Appleby: No. Based on a great deal of information, but no understanding.

[5.] Q. Mr. President, over on page LIV (p. 72), on the public debt, speaking of the public debt falling off there in the last paragraph—well, hasn't it already started that decline? I mean, it is already past its peak, is it not, about \$278 billion—

THE PRESIDENT. That is what we hope. That is what we hope.

Q. It can't possibly go up there any farther, can it, now?

THE PRESIDENT. Not now, no. The thing that will tell whether it will have to be expanded or not, is whether we get this reconversion and production program over, so that the national income will stay at the level which is necessary to meet this anticipated revenue.

Q. It is not likely that it could go—could hit a new peak now?

THE PRESIDENT. I don't think so. That is the basis for that statement here.

Q. What is the estimated national income level?

THE PRESIDENT. Between 135 and 140 billions of dollars.

Q. Mr. President, can we talk a little louder? We can't hear back here.

THE PRESIDENT. Sure, I'll try.

Q. This public debt is based on estimated

national income, from 135 to 140 billion?

Mr. Smith: Revenue estimates are based on \$140 billion—

THE PRESIDENT. —140.

[6.] Mr. Smith: —But that is income payments, and that is a different figure than your—your gross national product. Bear that in mind.

Q. Got an estimate for the national gross product?

Mr. Smith: What does that go, Paul, there?

Mr. Appleby: We haven't projected that in these tables, and I think we would have to inquire precisely. Somewhere—140—

Q. Higher than 140?

Mr. Appleby: Yes.

Mr. Smith: Around 170 or 178—somewhere in there. But these are technical problems that involve factors used in estimating income.

[7.] Q. Mr. President, you said this includes all anticipated authorizations. I couldn't find anything in here on increased Government salaries. Are they included?

THE PRESIDENT. Yes, they are included.

Q. Congress—

THE PRESIDENT. They are included.

Q. —and the Judiciary?

THE PRESIDENT. Yes, they are included. They are in that billion, five. You will find a billion, 500 million dollars that covers contingencies.

Q. Is there any breakdown of that billion, five?

THE PRESIDENT. No. They are all estimates. They are all estimates.

[8.] Q. Mr. President, at the end there is a Budget Résumé which contains your figure for total budget expenditures of 35.8—

THE PRESIDENT. What is that page?

Q. It's page LXXVIII. Green book.

THE PRESIDENT. LXXVIII.

Q. And then there's the Budget Summary of Receipts and Expenditures which says total expenditures will be 35 billion, one. Now what comes in between that figure and the 35 billion, eight?

THE PRESIDENT. Say that again. I was looking for the place and didn't hear the question.

Q. In this Budget Résumé, expenditures are figured at 35.8, and in the Budget Summary, table 1, there is a figure of 35.1. That is a difference of approximately \$700 million. How is that explained?

Mr. Appleby: That is corporation money. The tables are complex, and the 35.8 includes every expenditure—corporations, as well as the other things. In the other table, the corporations are treated separately.

Q. Yes, but that shows \$800 million for corporations, doesn't it?

Mr. Appleby: 750, I think.

Q. Table 1.

THE PRESIDENT. 735.

Q. Can you tell us what those millions are; that is, down to 35.15, up above, that will give you 35 billion, nine?

Mr. Appleby: What is the page beside LXXVIII?

Q. Next page, A2.

Q. What I am trying to do is make this Budget Summary, table 1, jibe with this Budget Résumé, and I don't see how it's done.

Mr. Appleby: Well, I can do that if you will take the 35.124 and go down below in the Checking Accounts of Government Corporations. You add the 802 and you subtract the 67 million. The 67 million is Redemption of Obligations in the market, government corporations, and that is a gain on the part of the corporations. It is not an expenditure, but a gain on the part of the Treasury.

Q. I see. And then, also, there is a slight

difference in the figure on Receipts, as I recall it. No—they are the same, I guess.

Mr. Smith: Mr. President, I would like to suggest, with respect to any of these issues worrying you—I don't blame you because they frequently worried me ahead of your worries—that if you will call the Bureau of the Budget about it, we would show you how they are reconciled; and I will be surprised if you find any flaws in these tables.

[9.] THE PRESIDENT. That phone number is Executive 3000, J. Weldon Jones, extension 118. He will be on the job right straight along, or somebody else will, to answer any questions.

Q. What is that extension again?

THE PRESIDENT. 118.

[10.] Q. Mr. President, I don't know whether this is a technical question, but on page A22, it shows that the FBI appropriation recommended for 1947 is \$28 million, whereas actual appropriations for 1946 only \$8 million of it is contemplated for the FBI.

Mr. Appleby: The rest of the FBI appropriation in 1946 was in National Defense, which is covered earlier in this tabulation.

Q. Well, later in the Budget, it says this represents only 70 percent of what it was in the past. Does that mean that the FBI has spent over \$100 million during the war?

THE PRESIDENT. Yes.

Mr. Appleby: Yes.

THE PRESIDENT. More than that.

Q. A hundred million dollars a year.

[11.] Q. Mr. President, is there any attempt to reconcile the idea of a balanced budget in 1947, and a cash balance down to about 3 billion, with a full employment budget?

THE PRESIDENT. Yes. Yes. The full employment is taken into consideration in the estimated budget.

Mr. Appleby: Spread over a number of years.

THE PRESIDENT. Spread over a number of years. It is spread over a number of years. We don't anticipate any serious inroad on that expenditure in this year, if the reconversion program goes through.

Q. Mr. President, would you consider this a balanced budget?

THE PRESIDENT. No. Well no, I do not.

Q. How are you going to explain the reduction of the debt with an unbalanced budget? That is what disturbs me.

THE PRESIDENT. The actual budget is in balance. It is the anticipated expenditures that throws it out.

Q. Well then, is the total of anticipated expenditures the 3 billion figure?

Mr. Appleby: Somewhere in that neighborhood.

THE PRESIDENT. If you study the tables carefully, if you will read that preliminary message carefully, it is set out very plainly and carefully. I have been studying it for a month, and it is very plainly set out in every detail; and if it is not set out plain enough for you, why if you will call this number I have given you, you will get all the information you want.

Q. That is one point that I think a great many people are going to be interested in, about this balanced budget. I am wondering if you might boil it down to a few words of one syllable that the public can understand?

THE PRESIDENT. Well, that's *your* job. I have boiled it down as much as possible. I have it right here in this document. [Laughter]

[12.] Q. Mr. President, the appropriations for Farm Security were sharply cut during the war, and I notice you haven't made much of an increase. Does that mean you aren't planning to expand the appropriation for Farm Security in the postwar period?

Mr. Appleby: I would say that this is not yet the postwar period in respect to a pro-

gram such as that. All across the board there has been an effort to hold down expenditures based on the high prosperity of the Nation and the high level of employment. It would be poor budget policy to go all out, or to return to a 1939 or 1940 basis all across the board, when so many of the factors have been changed. I would say this is a tight budget, but reflecting the general structure of the economy.

[13.] Q. Mr. President, you list Expenditures, National Defense, as \$16 billion in the Budget Summary. Is it correct to assume that there might be a reduction in that sum, in anticipation of the demobilization program?

THE PRESIDENT. I don't anticipate any shrinkage in that fund. It depends altogether on the demobilization situation, of course, but I think that is as nearly a figure as we can arrive at, under the present conditions.

Q. Mr. President, this 35 billion annual Expenditures, that is the general basis we can look forward to for several years to come?

THE PRESIDENT. No, sir. I hope it will be 25 billion. That contains, as you understand, war expenditures—the winding up of the war.

Q. When, Mr. President?

THE PRESIDENT. I can't set the date. Your guess is as good as mine. I hope as soon as it possibly can be done. I am not making any prophecies.

Q. Do you anticipate it going any lower than 25?

THE PRESIDENT. No, I do not.

[14.] Q. Do you see a balanced budget in the following fiscal year?

THE PRESIDENT. I hope for it. I can't anticipate that, either.

Mr. Smith: I think, Mr. President, I detect a little misunderstanding in some of

these questions involving a balanced budget, which is a problem. It may be that the point needs emphasizing here, that this is a sharp distinction from what has been done in previous years, in this respect: namely, that heretofore we have never presented to the Congress any proposed appropriation that was not authorized in some way already by the law.

In this—on the other hand, we have contended for some time that it was the intention of the Budget and Accounting Act to do precisely what is done in this budget: namely, to estimate as best we could the amounts of money that would be required to cover those items which the President had requested of the Congress, in terms of legislation and whatnot, whether or not the Congress had already acted upon them.

Now, that is a sharp distinction here, and in any discussion of balance, it is true the budget might have been balanced on the old basis, but I think it is the President's contention that that basis doesn't represent a real picture of the situation.

Q. Mr. Smith, in that connection, what part of the 35 billion figure is represented in that category of future anticipated things as yet unauthorized?

Mr. Smith: One billion and a half, is it, Paul?

Mr. Appleby: No.

Mr. Smith: A little more than that.

Mr. Appleby: Anticipated appropriations and expenditures are in all of the principal categories—are in three of the four principal categories, some in Defense, that have not yet been authorized or formulated. Those are not large. And then, in the international finance, some of those items have not yet been authorized, the British loan, as an example. And then there is the billion, five of this strictly domestic—the general Government peacetime activities of the Gov-

ernment—a billion, five. Now, the three items altogether will amount to the total the President gave you some little time ago, roughly three billion, three and a half.

Q. Isn't that in some respects, Mr. President, an arbitrary figure, since I notice, for instance,—

THE PRESIDENT. It is an estimate—it is an estimate.

[15.] Q. —that the State Department has no estimate in the total for its new foreign intelligence service, which is said to run around \$49 million. If all those things were piled on, couldn't you run it on to several billions?

THE PRESIDENT. No. They are all taken into consideration—every one of those things is taken into consideration. They are every one of them in the budget. There is not a thing left out.

[16.] Q. Mr. President, can we have an understanding on how much of this can be used, and how we can use it?

THE PRESIDENT. Well, you can use any of the facts that are set out here.

Q. I mean what you are saying, what Mr. Smith and Mr. Appleby are saying, in our stories Monday?

THE PRESIDENT. I don't see any reason why you can't use any of it.

Q. Attribute it to them and to you?

THE PRESIDENT. I would rather not have it attributed directly.

Mr. Smith: No.

Q. To the White House?

THE PRESIDENT. To the White House? If you like, but we are trying to give you a clear-cut—

Q. I just want it understood, so that there wouldn't be any misunderstanding.

THE PRESIDENT. I would not like to be quoted directly on it, because the Budget Message speaks for itself, but anything that will clarify and explain it, so far as you and

I and the public are concerned, that is what we are already trying to do, and you are at liberty to use; but I would rather not have it quoted or directly attributed.

Q. Can these remarks about the balanced budget be attributed to you?

THE PRESIDENT. No, I would rather not, because they are estimates—an anticipating hope, so far. The figures themselves, I think, are the best statement of the case.

[17.] Q. Mr. President, in view of what Mr. Appleby said, would it be correct to say that the approximately 3.3 billion of the 4.3 billion in 1947 would be attributable to parts of your program as yet not enacted by Congress?

THE PRESIDENT. I think that is a safe statement.

Q. I have a question for Mr. Smith. Mr. Smith, would you clarify why—if you believe it was the intention of the Budget and Accounting Act to have had these things included in the previous years—why it was not done?

Mr. Smith: Well, I think it was a very justifiable two sides of that story. I mean there were very strong contentions that we should not have sent down, on a requested estimate on the Hill, for anything that was not authorized. The Budget and Accounting language can be interpreted very narrowly indeed. However, it has been argued that the real—when you go back to the debate, as we have, on the Budget and Accounting Act, that it is the intention to submit a complete program.

Now, in doing it the way we have done before, we could be much more precise about it, you see. In doing it this way, we have to take some record cases, intelligent estimates we hope, as to what some of these programs might cost. But if you are looking at the total financial picture in the future, if the budget were—here is the practical

problem: if the budget were submitted on the old basis, obviously there might be an excess of revenue. Yet the President has requested the Congress for certain programs which have not been authorized. The Ways and Means Committee might very well look at that and say, "We will cut the revenue." The revenue being cut, the programs subsequently authorized, you are faced with a deficit immediately. This is the only way, in my judgment, in these current situations; and I know that the President's argument was to you on that point, that this kind of program could be submitted. It is a very important distinction over previous practice.

Q. You do not say that the budget in any sense can be compared with the budget anticipated in the full employment bill?

Mr. Appleby: Designed to produce—

THE PRESIDENT. No, it isn't the same type.

Q. Mr. President, did you yourself initiate this change in the form?

THE PRESIDENT. Yes, I did. I think it is the proper and honest way to lay the matter before the Congress. It gives them a chance to see what is anticipated, and gives the people a chance to see what we further seek and what we will ask for. Then, if they don't want to do it, why we are that much ahead.

Q. This estimate of the cost of the recommended program is in line with the thinking on the full employment bill, however, isn't it?

Mr. Appleby: That's right. Yes, it is.

THE PRESIDENT. Mr. Snyder makes the suggestion that it is not so fully set out in this budget as the estimate under the full employment bill would be set out.

Mr. Snyder: A forecast of it could—would be more fully developed under the full employment bill, and a plan for doing this, that, and the other would be exploited in there and laid out before you as proposed,

which would be much beyond the scope of this proposed subject on producing a full employment budget soon.

THE PRESIDENT. If we are—if authorized to make one, we will.

[18.] Q. Mr. President, is this revenue estimate of 140 billion that Mr. Smith and Mr. Appleby referred to, is that predicated on any assumption of employment figures for fiscal year national employment?

THE PRESIDENT. It is anticipated on a prosperous full employment.

Q. Well, that is pretty general. For purposes of calculating that figure, was there any percentagewise or numerical assumption on employment?

THE PRESIDENT. How did you arrive at that?

Mr. Appleby: I think that is one of the questions you will have to call Weldon Jones on. There were certain assumptions, certain category assumptions at this level, so that did not involve a precise employment figure at this level.

Q. The 140 billion is probably predicated on nailing down one assumption.

Q. Can you say how much unemployment is expected under the 140 figure?

Mr. Appleby: No, I can't answer that.

Mr. Smith: I think that question ought to be cleared up, maybe in this way: that the one point is used as a basis for estimating the revenue which the Treasury is responsible for. We get in on some questions of the total amount, and that is not just one assumption, it is a very complex estimating job that I wouldn't even attempt to describe, because I am not competent to describe it to you. You want to guard against just pulling out one factor in that picture and saying, here is what this is based on. I think you will get a very complicated statement without solution when you ask that question.

Q. Mr. Smith, how much of a reduction of that 140 billion will be recommended at the present level of income payments?

Mr. Smith: Well, this is a rate. We are talking about a rate for next year—

Q. Yes.

Mr. Smith: —of 140, and I don't know the current rate. You had better ask that question of the technical people.

Q. Isn't this rather damaging to the forecasting aspects of your full employment bill, that the estimates on employment made 6 months ago were rather excessive?

THE PRESIDENT. I don't understand that complicated question. State it again.

Q. In here you say that there is much less unemployment than is anticipated.

THE PRESIDENT. For which we are very happy.

Q. Yes, and assuming that any Federal program has been established 6 months ago on the basis of those official estimates, wouldn't that perhaps be unsound at this time?

Mr. Snyder: Not necessarily.

THE PRESIDENT. I don't think that would be unsound at all. They would certainly be on the other side from unsound.

Mr. Snyder: It isn't going to be an annual procedure, our going from sudden full war to sudden full peace. I feel we have had just a turnaround there that involved elements that we couldn't possibly foresee. The rapidity with which the transition from war to peace took place, threw all those estimates out, but no one anticipated that the turnaround would be quite so rapid.

As it is today, we have got practically 95 percent of the physical reconversion completed. Well, that is pretty fast, don't you see, and it has taken up that unemployment slack much more rapidly than was expected, when we view this turnaround in light of the development of the war production that

spread over a number of years, to swing it from peace to war. And we have turned around and done the job in a comparatively few months, back from war to peace again.

Q. Mr. President, isn't it also true that even under full employment, if you estimate 8 million unemployment, and send down an appropriation to Congress, and then the 8 million unemployment did not develop, you would not spend this money?

THE PRESIDENT. That is correct, and if your estimate was too low you would be in awful shape.

I want to emphasize again that these questions are for clarification and for your information, that the Budget Message itself and the two Messages cover the ground completely. What we are trying to do is make a clarification, and I don't want—I want to emphasize again, as I said to Mr. Brandt, that I don't want these things—these questions and answers attributed to me as the President. I am trying to help you clarify this, because the Messages themselves speak for themselves in terms that I am intending to speak to the Congress.

[19.] Q. Mr. President, in estimating this revenue, did you calculate on any large increase in wages during the coming year?

THE PRESIDENT. No.

Q. How would you define "substantial"?

THE PRESIDENT. I defined "substantial" in the proposed settlement of the United States Steel Corporation.

Q. Is the \$140 billion an increase over the estimate for 1946, I mean the current fiscal year?

Mr. Appleby: Was it?

Mr. Smith: No.

Mr. Appleby: No. It is a decrease.

THE PRESIDENT. Decrease.

Mr. Appleby: Because of war production.

Q. The reason I ask that question, some time ago I saw the estimated revenue on the

basis of 130 billions for the fiscal year 1946.

Mr. Smith: Was that made public?

Q. That was before the Ways and Means Committee—Senate Finance Committee in that testimony on the tax reduction bill last fall.

Mr. Smith: Well, this is the estimate now of 140.

Mr. Appleby: Mr. President, I would like to suggest that the questions indicate too much assumption that this is a full employment budget, or that it has moved in that direction, that it is predicated on the calculations that would be part of that. I would like to say that I think the chief significance of this budget is that it presents to the Congress a total program to avoid the business of having single measures proposed from time to time without adding them all up and looking at them in terms of each other. This is really primarily a development in the normal historical budgetary process.

[20.] Q. Mr. Appleby, have you got anything for the MVA?

Mr. Appleby: Have you got any what?

Q. Anticipated MVA—Missouri Valley?

Mr. Appleby: Nothing in here on authorities. There is money in here on valley developments.

[21.] Q. Mr. President, is there any provision in here to meet the cost of facilities for Bretton Woods, and U.N.O., and so forth—I mean to erect buildings, and so forth?

THE PRESIDENT. I don't think so.

Q. Wouldn't that need a rise in fiscal year 1947?

THE PRESIDENT. I don't think so.

Q. How do they propose to meet that problem of housing the representatives, and so forth, and providing office space?

Mr. Appleby: Mr. President, there is a general allowance in here for our share of contributions to United Nations Organizations, and it is almost certain that if they

should construct buildings, that that expenditure would not enter in fiscal year 1947. If there were any additional allowances over and above the allowances that we have calculated, it would be the subject of making an obligation and entering into the contract. The expenditure would come later.

Q. You said "if"?

Mr. Appleby: If there should be. That is a question that has not yet been taken up even in international negotiations.

Q. Oh, I thought it was a foregone conclusion that they were going to have their own buildings?

Mr. Appleby: But you are referring to the budget of the United States.

Q. Yes. We would have to meet a part of that.

THE PRESIDENT. Yes, but I don't think it will come this year. I don't think it will come this year.

[22.] Q. What does this \$1,750 million of international obligations cover then, if it doesn't cover the U.N.O., Bretton Woods, and the rest of that stuff?

Mr. Appleby: It covers a fund for international—Export-Import Bank, and the British loan.

Q. Mr. President, as a matter of practical experience, do you get substantial appropriations originating spontaneously in Congress upon what you ask, that might throw this budget out of kilter?

THE PRESIDENT. That is always a possibility. I have been on the Appropriations—I was on the Appropriations Committee of the Senate for 10 years, and I am familiar with how those things are handled.

Q. Does it amount to a substantial volume?

THE PRESIDENT. No, it doesn't.

[23.] Q. Mr. President, on page LIX (p. 75) there is a reference to war supplies, maintenance, and relief. It says that the

tentative estimates make allowance for military research, limited procurement and development of weapons in the developmental state. Does that mean the atom bomb? Is that included in there, by any chance?

THE PRESIDENT. No, it is not.

Q. It is not?

THE PRESIDENT. It is not. We are hoping that the Congress will legislate on that, and then we will be able to let the "bear" loose.

Mr. Smith: Well, Mr. President, those are budget—it is a secret item in the war.

THE PRESIDENT. Yes, I know.

Mr. Smith: The total is in the budget.

Mr. Appleby: The total is in the budget, but then that improvement of weapons, and things of that sort, did not—we were not considering the atomic bomb when we were talking about those.

Q. But the bomb is in the budget?

THE PRESIDENT. Yes.

Mr. Appleby: Atomic energy is in the budget.

THE PRESIDENT. Let's quit talking about the "atomic bomb." Let's talk about the release of atomic energy, which we hope to use for peacetime purposes.

Q. The reason I asked about the bomb was because it refers here to "weapons."

THE PRESIDENT. Well, that does not refer to the bomb.

Q. Mr. President, while you are making changes, could you do away with these Roman numerals? *[Laughter]*

THE PRESIDENT. I will go along with you on that.

Mr. Appleby: That is already agreed to.

THE PRESIDENT. It has been agreed to for next year.

Q. Mr. President, will the Message go up as is, or will you take any later, last-minute developments and put them in the Message?

THE PRESIDENT. There will be nothing

new in the Message. It has been signed and sent up for release, to be handed to the two bodies of the Congress on Monday, at 12 o'clock.

[24.] Q. Mr. Appleby, does this show the total for public works, all public works?

Mr. Appleby: Except—what table are you looking at?

Q. A4.

Mr. Appleby: There would be two basic calculations. One would be for nonmilitary, and one would be including military. I can give you the total amount on nonmilitary very precisely—expenditures—wait a minute, this is appropriations—

Mr. Smith: Paul, it is approximately a million point two on civil, and about 750 million on military, is it not? It runs—comes out to about—

Mr. Appleby: A billion, 7—

Mr. Smith: That's right.

Mr. Appleby: —altogether.

Q. A billion, one on military?

Mr. Appleby: Yes. And those are expenditure figures all on the military side, and the explanation for that is that it is for payment of things already constructed.

[25.] Q. Mr. President, getting back to MVA and the various appropriations for reclamation and flood control, and so forth, does that indicate you do not anticipate a Missouri Valley Authority in 1947?

THE PRESIDENT. It does not indicate that at all. I am going to do everything I can to get MVA in 1946.

Q. You are?

THE PRESIDENT. Yes.

Q. These appropriations could then be turned over to the MVA?

THE PRESIDENT. That's right. If we get one, which I hope we will.

[26.] Q. In connection with authorities, Mr. President, is there any specific fund an-

ticipated for the St. Lawrence?

THE PRESIDENT. Is there?

Mr. Appleby: Yes.

THE PRESIDENT. Yes. I am sure it is included.

Mr. Appleby: That is in the prospective legislation, so it is not identified here as a specific amount.

Q. Do you know how much that is?

Mr. Appleby: No, I don't recall.

Q. Would Mr. Jones know how much that is?

THE PRESIDENT. Yes, I think he would. We don't know all those things. That, I am sure, was included in the anticipated expenditures.

Q. That is in the billion, 500 million dollar figure?

THE PRESIDENT. That figure is not for release, even if you found out what it is, because it is an estimate.

Q. You said a while ago that you hoped the appropriations would be cut to 25 billion dollars. Would you mind having that attributed to you?

THE PRESIDENT. I don't want that attributed yet. I will make the announcement later. It is in the Message. It is in the Message. And I don't think you need attribute it to me, because this Message is going to be attributed to me, I think. [Laughter]

There is one part of this budget that sets out the planning program for public works. I think if you read that carefully, it will answer a great many of your questions in regard to these anticipated public works programs.

[27.] Q. Mr. President, I notice that the anticipated expenditures for the White House operation proper are running a little larger than this year—even larger than wartime.

THE PRESIDENT. They have always been

larger, much larger than they show, because the White House expenditures have been met by the Interior Department, and the War Department, and the Navy Department, and the—

Q. The explanation said that the White House must now no longer be charged to other departments but to the White House itself.

THE PRESIDENT. That is exactly right. The White House budget will show exactly what is expended in the White House and always has been. It isn't a greater amount than in past years. In fact, it's a little less.

Q. No way of identifying?

THE PRESIDENT. Couldn't identify, because it is covered under all of the various departments.

[28.] Q. I notice percentagewise Mr. Smith has given the Budget Bureau a bigger appropriation. Does the Budget Bureau expect to expand even beyond wartime size in the new fiscal year, Mr. Smith?

Mr. Smith: You should ask that of the President. He approved it. [Laughter]

THE PRESIDENT. That's right. I approved it because it is necessary. It is a tremendous job. You have got to have the people to do the work, and get it done. That document that you are looking at there has been—I guess it has been 6 months of the hardest kind of work to get those figures together.

[29.] Q. Mr. President, do you anticipate Congress will cut down Government payrolls?

THE PRESIDENT. What was that?

Q. Does this budget anticipate any reduction in Government payrolls?

THE PRESIDENT. Yes, of course it does.

[30.] Q. In connection with the budget—likewise in various interdepartmental budgets, Mr. President—over here in Commerce, I note that it jumps from

93 million to 163, and it says that for additional promotion of commerce and industry, and so forth. Could you fill us in a little more on that? I mean, how come it was up so sharply?

Mr. Appleby: Chiefly aviation. The increase is described as aids to business. Relatively it is a few million dollars, a big increase going to CAA.

Q. There is an anticipated very large increase in the Foreign and Domestic Commerce of about 13.

Mr. Appleby: Yes—

THE PRESIDENT. Yes.

Mr. Appleby: —but the total increase for the Department of Commerce is—the big figure is the CAA.

Q. On that point, Mr. President, I notice Internal Revenue jumps up 50 million dollars. Does that mean there is going to be an increase in the enforcement of the—

Mr. Appleby: That again is a transfer, in effect, from Defense appropriations to normal appropriations. They don't have as big an appropriation in total.

Q. I see. They receive it from the President's budget?

Mr. Appleby: From the Defense budget.

THE PRESIDENT. From the Defense budget. A lot of those increases are not increases, because it is dropping of the Defense budget

and putting it into the regular budget.

Q. Would some of this Weather Bureau increase be based—

Mr. Appleby: Aviation.

Q. CAA.

THE PRESIDENT. Aviation.

Mr. Appleby: Development of aviation on a peacetime basis could be said as one of the features of this kind, and for everything related to it. There will be substantial increases.

[31.] THE PRESIDENT. Referring back to that cutting of the cost of the Government, it is a downward trend—discharges of war-time employees which have been going on at a tremendous rate.

Q. Thank you very much, Mr. President.

THE PRESIDENT. That's all right. We want to make it as clear as we possibly can.

I say the phone will be at your service for any questions you want to ask.

Reporter: Thank you, Mr. President. That was very interesting.

THE PRESIDENT. It is interesting to me. That is one of my hobbies.

NOTE: President Truman's forty-fourth news conference was held in the Movie Room at the White House at 10:30 a.m. on Saturday, January 19, 1946. The White House Official Reporter noted that John W. Snyder, Director, Office of War Mobilization and Reconversion, Harold D. Smith, Director, Bureau of the Budget, and Paul H. Appleby, Assistant Director, were present at the conference.

18 Message to the Congress on the State of the Union and on the Budget for 1947. *January 21, 1946*

[Released January 21, 1946. Dated January 14, 1946]

To the Congress of the United States:

A quarter century ago the Congress decided that it could no longer consider the financial programs of the various departments on a piecemeal basis. Instead it has

called on the President to present a comprehensive Executive Budget. The Congress has shown its satisfaction with that method by extending the budget system and tightening its controls. The bigger and more com-

plex the Federal Program, the more necessary it is for the Chief Executive to submit a single budget for action by the Congress.

At the same time, it is clear that the budgetary program and the general program of the Government are actually inseparable. The President bears the responsibility for recommending to the Congress a comprehensive set of proposals on all Government activities and their financing. In formulating policies, as in preparing budgetary estimates, the Nation and the Congress have the right to expect the President to adjust and coordinate the views of the various departments and agencies to form a unified program. And that program requires consideration in connection with the Budget, which is the annual work program of the Government.

Since our programs for this period which combines war liquidation with reconversion to a peacetime economy are inevitably large and numerous it is imperative that they be planned and executed with the utmost efficiency and the utmost economy. We have cut the war program to the maximum extent consistent with national security. We have held our peacetime programs to the level necessary to our national well-being and the attainment of our postwar objectives. Where increased programs have been recommended, the increases have been held as low as is consistent with these goals. I can assure the Congress of the necessity of these programs. I can further assure the Congress that the program as a whole is well within our capacity to finance it. All the programs I have recommended for action are included in the Budget figures.

For these reasons I have chosen to combine the customary Message on the State of the Union with the annual Budget Message, and to include in the Budget not only estimates for functions authorized by the

Congress, but also for those which I recommend for its action.

I am also transmitting herewith the *Fifth Quarterly Report of the Director of War Mobilization and Reconversion*.¹ It is a comprehensive discussion of the present state of the reconversion program and of the immediate and long-range needs and recommendations.

This constitutes, then, as complete a report as I find it possible to prepare now. It constitutes a program of government in relation to the Nation's needs.

With the growing responsibility of modern government to foster economic expansion and to promote conditions that assure full and steady employment opportunities, it has become necessary to formulate and determine the Government program in the light of national economic conditions as a whole. In both the executive and the legislative branches we must make arrangements which will permit us to formulate the Government program in that light. Such an approach has become imperative if the American political and economic system is to succeed under the conditions of economic instability and uncertainty which we have to face. The Government needs to assure business, labor, and agriculture that Government policies will take due account of the requirements of a full employment economy. The lack of that assurance would, I believe, aggravate the economic instability.

With the passage of a full employment bill which I confidently anticipate for the very near future, the executive and legislative branches of government will be empowered to devote their best talents and resources in subsequent years to preparing and acting on such a program.

¹ The report dated January 1, 1946, and entitled "Battle for Production" is printed in House Document 398 (79th Cong., 2d sess.).

I. FROM WAR TO PEACE—THE YEAR OF DECISION

In his last Message on the State of the Union, delivered one year ago, President Roosevelt said:

"This new year of 1945 can be the greatest year of achievement in human history.

"1945 can see the final ending of the Nazi-Fascist reign of terror in Europe.

"1945 can see the closing in of the forces of retribution about the center of the malignant power of imperialistic Japan.

"Most important of all—1945 can and must see the substantial beginning of the organization of world peace."

All those hopes, and more, were fulfilled in the year 1945. It was the greatest year of achievement in human history. It saw the end of the Nazi-Fascist terror in Europe, and also the end of the malignant power of Japan. And it saw the substantial beginning of world organization for peace. These momentous events became realities because of the steadfast purpose of the United Nations and of the forces that fought for freedom under their flags. The plain fact is that civilization was saved in 1945 by the United Nations.

Our own part in this accomplishment was not the product of any single service. Those who fought on land, those who fought on the sea, and those who fought in the air deserve equal credit. They were supported by other millions in the armed forces who through no fault of their own could not go overseas and who rendered indispensable service in this country. They were supported by millions in all levels of government, including many volunteers, whose devoted public service furnished basic organization and leadership. They were also supported by the millions of Americans in private life—men and women in industry,

in commerce, on the farms, and in all manner of activity on the home front—who contributed their brains and their brawn in arming, equipping, and feeding them. The country was brought through four years of peril by an effort that was truly national in character.

Everlasting tribute and gratitude will be paid by all Americans to those brave men who did not come back, who will never come back—the 330,000 who died that the Nation might live and progress. All Americans will also remain deeply conscious of the obligation owed to that larger number of soldiers, sailors, and marines who suffered wounds and sickness in their service. They may be certain that their sacrifice will never be forgotten or their needs neglected.

The beginning of the year 1946 finds the United States strong and deservedly confident. We have a record of enormous achievements as a democratic society in solving problems and meeting opportunities as they developed. We find ourselves possessed of immeasurable advantages—vast and varied natural resources; great plants, institutions, and other facilities; unsurpassed technological and managerial skills; an alert, resourceful, and able citizenry. We have in the United States Government rich resources in information, perspective, and facilities for doing whatever may be found necessary to do in giving support and form to the widespread and diversified efforts of all our people.

And for the immediate future the business prospects are generally so favorable that there is danger of such feverish and opportunistic activity that our grave postwar problems may be neglected. We need to act now with full regard for pitfalls; we need to act with foresight and balance. We should not be lulled by the immediate alluring prospects into forgetting the funda-

mental complexity of modern affairs, the catastrophe that can come in this complexity, or the values that can be wrested from it.

But the long-range difficulties we face should no more lead to despair than our immediate business prospects should lead to the optimism which comes from the present short-range prospect. On the foundation of our victory we can build a lasting peace, with greater freedom and security for mankind in our country and throughout the world. We will more certainly do this if we are constantly aware of the fact that we face crucial issues and prepare now to meet them.

To achieve success will require both boldness in setting our sights and caution in steering our way on an uncharted course. But we have no luxury of choice. We must move ahead. No return to the past is possible.

Our Nation has always been a land of great opportunities for those people of the world who sought to become part of us. Now we have become a land of great responsibilities to all the people of all the world. We must squarely recognize and face the fact of those responsibilities. Advances in science, in communication, in transportation, have compressed the world into a community. The economic and political health of each member of the world community bears directly on the economic and political health of each other member.

The evolution of centuries has brought us to a new era in world history in which manifold relationships between nations must be formalized and developed in new and intricate ways.

The United Nations Organization now being established represents a minimum essential beginning. It must be developed rapidly and steadily. Its work must be amplified to fill in the whole pattern that has

been outlined. Economic collaboration, for example, already charted, now must be carried on as carefully and as comprehensively as the political and security measures.

It is important that the nations come together as States in the Assembly and in the Security Council and in the other specialized assemblies and councils that have been and will be arranged. But this is not enough. Our ultimate security requires more than a process of consultation and compromise.

It requires that we begin now to develop the United Nations Organization as the representative of the world as one society. The United Nations Organization, if we have the will adequately to staff it and to make it work as it should, will provide a great voice to speak constantly and responsibly in terms of world collaboration and world well-being.

There are many new responsibilities for us as we enter into this new international era. The whole power and will and wisdom of our Government and of our people should be focused to contribute to and to influence international action. It is intricate, continuing business. Many concessions and adjustments will be required.

The spectacular progress of science in recent years makes these necessities more vivid and urgent. That progress has speeded internal development and has changed world relationships so fast that we must realize the fact of a new era. It is an era in which affairs have become complex and rich in promise. Delicate and intricate relationships, involving us all in countless ways, must be carefully considered.

On the domestic scene, as well as on the international scene, we must lay a new and better foundation for cooperation. We face a great peacetime venture; the challenging venture of a free enterprise economy making full and effective use of its rich resources and technical advances. This is a venture in

which business, agriculture, and labor have vastly greater opportunities than heretofore. But they all also have vastly greater responsibilities. We will not measure up to those responsibilities by the simple return to "normalcy" that was tried after the last war.

The general objective, on the contrary, is to move forward to find the way in time of peace to the full utilization and development of our physical and human resources that were demonstrated so effectively in the war.

To accomplish this, it is not intended that the Federal Government should do things that can be done as well for the Nation by private enterprise, or by State and local governments. On the contrary, the war has demonstrated how effectively we can organize our productive system and develop the potential abilities of our people by aiding the efforts of private enterprise.

As we move toward one common objective there will be many and urgent problems to meet.

Industrial peace between management and labor will have to be achieved—through the process of collective bargaining—with Government assistance but not Government compulsion. This is a problem which is the concern not only of management, labor, and the Government, but also the concern of every one of us.

Private capital and private management are entitled to adequate reward for efficiency, but business must recognize that its reward results from the employment of the resources of the Nation. Business is a public trust and must adhere to national standards in the conduct of its affairs. These standards include as a minimum the establishment of fair wages and fair employment practices.

Labor also has its own new peacetime responsibilities. Under our collective bargaining system, which must become progressively more secure, labor attains increasing political

as well as economic power, and this, as with all power, means increased responsibility.

The lives of millions of veterans and war workers will be greatly affected by the success or failure of our program of war liquidation and reconversion. Their transition to peacetime pursuits will be determined by our efforts to break the bottlenecks in key items of production, to make surplus property immediately available where it is needed, to maintain an effective national employment service, and many other reconversion policies. Our obligations to the people who won the war will not be paid if we fail to prevent inflation and to maintain employment opportunities.

While our peacetime prosperity will be based on the private enterprise system, Government can and must assist in many ways. It is the Government's responsibility to see that our economic system remains competitive, that new businesses have adequate opportunities, and that our national resources are restored and improved. Government must realize the effect of its operations on the whole economy. It is the responsibility of Government to gear its total program to the achievement of full production and full employment.

Our basic objective—toward which all others lead—is to improve the welfare of the American people. In addition to economic prosperity, this means that we need social security in the fullest sense of the term; the people must be protected from the fear of want during old age, sickness, and unemployment. Opportunities for a good education and adequate medical care must be generally available. Every family should have a decent home. The new economic bill of rights to which I have referred on previous occasions is a charter of economic freedom which seeks to assure that all who will may work toward their own security and the

general advancement; that we become a well-housed people, a well-nourished people, an educated people, a people socially and economically secure, an alert and responsible people.

These and other problems which may face us can be met by the cooperation of all of us in furthering a positive and well-balanced Government program—a program which will further national and international well-being.

II. THE FEDERAL PROGRAM

INTERNATIONAL AFFAIRS

I. FOREIGN POLICY

The year 1945 brought with it the final defeat of our enemies. There lies before us now the work of building a just and enduring peace.

Our most immediate task toward that end is to deprive our enemies completely and forever of their power to start another war. Of even greater importance to the preservation of international peace is the need to preserve the wartime agreement of the United Nations and to direct it into the ways of peace.

Long before our enemies surrendered, the foundations had been laid on which to continue this unity in the peace to come. The Atlantic meeting in 1941 and the conferences at Casablanca, Quebec, Moscow, Cairo, Tehran, and Dumbarton Oaks each added a stone to the structure.

Early in 1945, at Yalta, the three major powers broadened and solidified this base of understanding. There fundamental decisions were reached concerning the occupation and control of Germany. There also a formula was arrived at for the interim

government of the areas in Europe which were rapidly being wrested from Nazi control. This formula was based on the policy of the United States that people be permitted to choose their own form of government by their own freely expressed choice without interference from any foreign source.

At Potsdam, in July 1945, Marshal Stalin, Prime Ministers Churchill and Attlee, and I met to exchange views primarily with respect to Germany. As a result, agreements were reached which outlined broadly the policy to be executed by the Allied Control Council. At Potsdam there was also established a Council of Foreign Ministers which convened for the first time in London in September. The Council is about to resume its primary assignment of drawing up treaties of peace with Italy, Rumania, Bulgaria, Hungary, and Finland.

In addition to these meetings, and in accordance with the agreement at Yalta, the Foreign Ministers of Great Britain, the Soviet Union, and the United States conferred together in San Francisco last spring, in Potsdam in July, in London in September, and in Moscow in December. These meetings have been useful in promoting understanding and agreement among the three governments.

Simply to name all the international meetings and conferences is to suggest the size and complexity of the undertaking to prevent international war in which the United States has now enlisted for the duration of history.

It is encouraging to know that the common effort of the United Nations to learn to live together did not cease with the surrender of our enemies.

When difficulties arise among us, the United States does not propose to remove them by sacrificing its ideals or its vital interests. Neither do we propose, however,

to ignore the ideals and vital interests of our friends.

Last February and March an Inter-American Conference on Problems of War and Peace was held in Mexico City. Among the many significant accomplishments of that Conference was an understanding that an attack by any country against any one of the sovereign American republics would be considered an act of aggression against all of them; and that if such an attack were made or threatened, the American republics would decide jointly, through consultations in which each republic has equal representation, what measures they would take for their mutual protection. This agreement stipulates that its execution shall be in full accord with the Charter of the United Nations Organization.

The first meeting of the General Assembly of the United Nations now in progress in London marks the real beginning of our bold adventure toward the preservation of world peace, to which is bound the dearest hope of men.

We have solemnly dedicated ourselves and all our will to the success of the United Nations Organization. For this reason we have sought to insure that in the peacemaking the smaller nations shall have a voice as well as the larger states. The agreement reached at Moscow last month preserves this opportunity in the making of peace with Italy, Rumania, Bulgaria, Hungary, and Finland. The United States intends to preserve it when the treaties with Germany and Japan are drawn.

It will be the continuing policy of the United States to use all its influence to foster, support, and develop the United Nations Organization in its purpose of preventing international war. If peace is to endure it must rest upon justice no less than upon power. The question is how justice among

nations is best achieved. We know from day-to-day experience that the chance for a just solution is immeasurably increased when everyone directly interested is given a voice. That does not mean that each must enjoy an equal voice, but it does mean that each must be heard.

Last November, Prime Minister Attlee, Prime Minister MacKenzie King, and I announced our proposal that a commission be established within the framework of the United Nations to explore the problems of effective international control of atomic energy.

The Soviet Union, France, and China have joined us in the purpose of introducing in the General Assembly a resolution for the establishment of such a commission. Our earnest wish is that the work of this commission go forward carefully and thoroughly, but with the greatest dispatch. I have great hope for the development of mutually effective safeguards which will permit the fullest international control of this new atomic force.

I believe it possible that effective means can be developed through the United Nations Organization to prohibit, outlaw, and prevent the use of atomic energy for destructive purposes.

The power which the United States demonstrated during the war is the fact that underlies every phase of our relations with other countries. We cannot escape the responsibility which it thrusts upon us. What we think, plan, say, and do is of profound significance to the future of every corner of the world.

The great and dominant objective of United States foreign policy is to build and preserve a just peace. The peace we seek is not peace for twenty years. It is permanent peace. At a time when massive changes are occurring with lightning speed throughout

the world, it is often difficult to perceive how this central objective is best served in one isolated complex situation or another. Despite this very real difficulty, there are certain basic propositions to which the United States adheres and to which we shall continue to adhere.

One proposition is that lasting peace requires genuine understanding and active cooperation among the most powerful nations. Another is that even the support of the strongest nations cannot guarantee a peace unless it is infused with the quality of justice for all nations.

On October 27, 1945, I made, in New York City, the following public statement of my understanding of the fundamental foreign policy of the United States. I believe that policy to be in accord with the opinion of the Congress and of the people of the United States. I believe that that policy carries out our fundamental objectives.

1. We seek no territorial expansion or selfish advantage. We have no plans for aggression against any other state, large or small. We have no objective which need clash with the peaceful aims of any other nation.

2. We believe in the eventual return of sovereign rights and self-government to all peoples who have been deprived of them by force.

3. We shall approve no territorial changes in any friendly part of the world unless they accord with the freely expressed wishes of the people concerned.

4. We believe that all peoples who are prepared for self-government should be permitted to choose their own form of government by their own freely expressed choice, without interference from any foreign source. That is true in Europe, in Asia, in Africa, as well as in the Western Hemisphere.

5. By the combined and cooperative ac-

tion of our war allies, we shall help the defeated enemy states establish peaceful democratic governments of their own free choice. And we shall try to attain a world in which nazism, fascism, and military aggression cannot exist.

6. We shall refuse to recognize any government imposed upon any nation by the force of any foreign power. In some cases it may be impossible to prevent forceful imposition of such a government. But the United States will not recognize any such government.

7. We believe that all nations should have the freedom of the seas and equal rights to the navigation of boundary rivers and waterways and of rivers and waterways which pass through more than one country.

8. We believe that all states which are accepted in the society of nations should have access on equal terms to the trade and the raw materials of the world.

9. We believe that the sovereign states of the Western Hemisphere, without interference from outside the Western Hemisphere, must work together as good neighbors in the solution of their common problems.

10. We believe that full economic collaboration between all nations, great and small, is essential to the improvement of living conditions all over the world, and to the establishment of freedom from fear and freedom from want.

11. We shall continue to strive to promote freedom of expression and freedom of religion throughout the peace-loving areas of the world.

12. We are convinced that the preservation of peace between nations requires a United Nations Organization composed of all the peace-loving nations of the world who are willing jointly to use force, if necessary, to insure peace.

That is our foreign policy.

We may not always fully succeed in our objectives. There may be instances where the attainment of those objectives is delayed. But we will not give our full sanction and approval to actions which fly in the face of these ideals.

The world has a great stake in the political and economic future of Germany. The Allied Control Council has now been in operation there for a substantial period of time. It has not met with unqualified success. The accommodation of varying views of four governments in the day-to-day civil administration of occupied territory is a challenging task. In my judgment, however, the Council has made encouraging progress in the face of most serious difficulties. It is my purpose at the earliest practicable date to transfer from military to civilian personnel the execution of United States participation in the government of occupied territory in Europe. We are determined that effective control shall be maintained in Germany until we are satisfied that the German people have regained the right to a place of honor and respect.

On the other side of the world, a method of international cooperation has recently been agreed upon for the treatment of Japan. In this pattern of control, the United States, with the full approval of its partners, has retained primary authority and primary responsibility. It will continue to do so until the Japanese people, by their own freely expressed choice, choose their own form of government.

Our basic policy in the Far East is to encourage the development of a strong, independent, united, and democratic China. That has been the traditional policy of the United States.

At Moscow the United States, the Union of Soviet Socialist Republics, and Great Britain agreed to further this development

by supporting the efforts of the national government and nongovernmental Chinese political elements in bringing about cessation of civil strife and in broadening the basis of representation in the Government. That is the policy which General Marshall is so ably executing today.

It is the purpose of the Government of the United States to proceed as rapidly as is practicable toward the restoration of the sovereignty of Korea and the establishment of a democratic government by the free choice of the people of Korea.

At the threshold of every problem which confronts us today in international affairs is the appalling devastation, hunger, sickness, and pervasive human misery that mark so many areas of the world.

By joining and participating in the work of the United Nations Relief and Rehabilitation Administration the United States has directly recognized and assumed an obligation to give such relief assistance as is practicable to millions of innocent and helpless victims of the war. The Congress has earned the gratitude of the world by generous financial contributions to the United Nations Relief and Rehabilitation Administration.

We have taken the lead, modest though it is, in facilitating under our existing immigration quotas the admission to the United States of refugees and displaced persons from Europe.

We have joined with Great Britain in the organization of a commission to study the problem of Palestine. The Commission is already at work and its recommendations will be made at an early date.

The members of the United Nations have paid us the high compliment of choosing the United States as the site of the United Nations headquarters. We shall be host in spirit as well as in fact, for nowhere does

there abide a fiercer determination that this peace shall live than in the hearts of the American people.

It is the hope of all Americans that in time future historians will speak not of World War I and World War II, but of the first and last world wars.

2. FOREIGN ECONOMIC POLICY

The foreign economic policy of the United States is designed to promote our own prosperity, and at the same time to aid in the restoration and expansion of world markets and to contribute thereby to world peace and world security. We shall continue our efforts to provide relief from the devastation of war, to alleviate the sufferings of displaced persons, to assist in reconstruction and development, and to promote the expansion of world trade.

We have already joined the International Monetary Fund and the International Bank for Reconstruction and Development. We have expanded the Export-Import Bank and provided it with additional capital. The Congress has renewed the Trade Agreements Act which provides the necessary framework within which to negotiate a reduction of trade barriers on a reciprocal basis. It has given our support to the United Nations Relief and Rehabilitation Administration.

In accordance with the intentions of the Congress, lend-lease, except as to continuing military lend-lease in China, was terminated upon the surrender of Japan. The first of the lend-lease settlement agreements has been completed with the United Kingdom. Negotiations with other lend-lease countries are in progress. In negotiating these agreements, we intend to seek settlements which will not encumber world trade through war debts of a character that proved to be so

detrimental to the stability of the world economy after the last war.

We have taken steps to dispose of the goods which on VJ-day were in the lend-lease pipe line to the various lend-lease countries and to allow them long-term credit for the purpose where necessary. We are also making arrangements under which those countries may use the lend-lease inventories in their possession and acquire surplus property abroad to assist in their economic rehabilitation and reconstruction. These goods will be accounted for at fair values.

The proposed loan to the United Kingdom, which I shall recommend to the Congress in a separate message, will contribute to easing the transition problem of one of our major partners in the war. It will enable the whole sterling area and other countries affiliated with it to resume trade on a multilateral basis. Extension of this credit will enable the United Kingdom to avoid discriminatory trade arrangements of the type which destroyed freedom of trade during the 1930's. I consider the progress toward multilateral trade which will be achieved by this agreement to be in itself sufficient warrant for the credit.

The view of this Government is that, in the longer run, our economic prosperity and the prosperity of the whole world are best served by the elimination of artificial barriers to international trade, whether in the form of unreasonable tariffs or tariff preferences or commercial quotas or embargoes or the restrictive practices of cartels.

The United States Government has issued proposals for the expansion of world trade and employment to which the Government of the United Kingdom has given its support on every important issue. These proposals are intended to form the basis for a trade and employment conference to be held in

the middle of this year. If that conference is a success, I feel confident that the way will have been adequately prepared for an expanded and prosperous world trade.

We shall also continue negotiations looking to the full and equitable development of facilities for transportation and communications among nations.

The vast majority of the nations of the world have chosen to work together to achieve, on a cooperative basis, world security and world prosperity. The effort cannot succeed without full cooperation of the United States. To play our part, we must not only resolutely carry out the foreign policies we have adopted but also follow a domestic policy which will maintain full production and employment in the United States. A serious depression here can disrupt the whole fabric of the world economy.

3. OCCUPIED COUNTRIES

The major tasks of our Military Establishment in Europe following VE-day, and in the Pacific since the surrender of Japan, have been those of occupation and military government. In addition we have given much-needed aid to the peoples of the liberated countries.

The end of the war in Europe found Germany in a chaotic condition. Organized government had ceased to exist, transportation systems had been wrecked, cities and industrial facilities had been bombed into ruins. In addition to the tasks of occupation we had to assume all of the functions of government. Great progress has been made in the repatriation of displaced persons and of prisoners of war. Of the total of 3,500,000 displaced persons found in the United States zone only 460,000 now remain.

The extensive complications involved by the requirement of dealing with three other

governments engaged in occupation and with the governments of liberated countries require intensive work and energetic cooperation. The influx of some 2 million German refugees into our zone of occupation is a pressing problem, making exacting demands upon an already overstrained internal economy.

Improvements in the European economy during 1945 have made it possible for our military authorities to relinquish to the governments of all liberated areas, or to the United Nations Relief and Rehabilitation Administration, the responsibility for the provision of food and other civilian relief supplies. The Army's responsibilities in Europe extend now only to our zones of occupation in Germany and Austria and to two small areas in northern Italy.

By contrast with Germany, in Japan we have occupied a country still possessing an organized and operating governmental system. Although severely damaged, the Japanese industrial and transportation systems have been able to insure at least a survival existence for the population. The repatriation of Japanese military and civilian personnel from overseas is proceeding as rapidly as shipping and other means permit.

In order to insure that neither Germany nor Japan will again be in a position to wage aggressive warfare, the armament-making potential of these countries is being dismantled and fundamental changes in their social and political structures are being effected. Democratic systems are being fostered to the end that the voice of the common man may be heard in the councils of his government.

For the first time in history the legal culpability of war makers is being determined. The trials now in progress in Nürnberg—and those soon to begin in Tokyo—bring before the bar of international justice those

individuals who are charged with the responsibility for the sufferings of the past six years. We have high hope that this public portrayal of the guilt of these evildoers will bring wholesale and permanent revulsion on the part of the masses of our former enemies against war, militarism, aggression, and notions of race superiority.

4. DEMOBILIZATION OF OUR ARMED FORCES

The cessation of active campaigning does not mean that we can completely disband our fighting forces. For their sake and for the sake of their loved ones at home, I wish that we could. But we still have the task of clinching the victories we have won—of making certain that Germany and Japan can never again wage aggressive warfare, that they will not again have the means to bring on another world war. The performance of that task requires that, together with our allies, we occupy the hostile areas, complete the disarmament of our enemies, and take the necessary measures to see to it that they do not rearm.

As quickly as possible, we are bringing about the reduction of our armed services to the size required for these tasks of occupation and disarmament. The Army and the Navy are following both length-of-service and point systems as far as possible in releasing men and women from the service. The points are based chiefly on length and character of service, and on the existence of dependents.

Over 5 million from the Army have already passed through the separation centers.

The Navy, including the Marine Corps and the Coast Guard, has discharged over one and a half million.

Of the 12 million men and women serving in the Army and Navy at the time of the surrender of Germany, one-half have already

been released. The greater part of these had to be brought back to this country from distant parts of the world.

Of course there are cases of individual hardship in retention of personnel in the service. There will be in the future. No system of such size can operate to perfection. But the systems are founded on fairness and justice, and they are working at full speed. We shall try to avoid mistakes, injustices, and hardship—as far as humanly possible.

We have already reached the point where shipping is no longer the bottleneck in the return of troops from the European theater. The governing factor now has become the requirement for troops in sufficient strength to carry out their missions.

In a few months the same situation will exist in the Pacific. By the end of June, 9 out of 10 who were serving in the armed forces on VE-day will have been released. Demobilization will continue thereafter, but at a slower rate, determined by our military responsibilities.

Our national safety and the security of the world will require substantial armed forces, particularly in overseas service. At the same time it is imperative that we relieve those who have already done their duty, and that we relieve them as fast as we can. To do that, the Army and the Navy are conducting recruiting drives with considerable success.

The Army has obtained nearly 400,000 volunteers in the past four months, and the Navy has obtained 80,000. Eighty percent of these volunteers for the regular service have come from those already with the colors. The Congress has made it possible to offer valuable inducements to those who are eligible for enlistment. Every effort will be made to enlist the required number of young men.

The War and Navy Departments now

estimate that by a year from now we still will need a strength of about 2 million including officers, for the armed forces—Army, Navy, and Air. I have reviewed their estimates and believe that the safety of the Nation will require the maintenance of an armed strength of this size for the calendar year that is before us.

In case the campaign for volunteers does not produce that number, it will be necessary by additional legislation to extend the Selective Service Act beyond May 16, the date of expiration under existing law. That is the only way we can get the men and bring back our veterans. There is no other way. Action along this line should not be postponed beyond March, in order to avoid uncertainty and disruption.

DOMESTIC AFFAIRS

I. THE ECONOMIC OUTLOOK

Prophets of doom predicted that the United States could not escape a runaway inflation during the war and an economic collapse after the war. These predictions have not been borne out. On the contrary, the record of economic stabilization during the war and during the period of reconversion has been an outstanding accomplishment.

We know, however, that nothing is as dangerous as overconfidence, in war or in peace. We have had to fight hard to hold the line. We have made strenuous efforts to speed reconversion. But neither the danger of a postwar inflation nor of a subsequent collapse in production and employment is yet overcome. We must base our policies not on unreasoning optimism or pessimism but upon a candid recognition of our objectives and upon a careful analysis of foreseeable trends.

Any precise appraisal of the economic outlook at this time is particularly difficult. The period of demobilization and reconversion is fraught with uncertainties. There are also serious gaps in our statistical information. Certain tendencies are, however, fairly clear and recognition of them should serve as background for the consideration of next year's Federal Program. In general, the outlook for business is good, and it is likely to continue to be good—provided we control inflation and achieve peace in management-labor relations.

Civilian production and employment can be expected to increase throughout the next year. This does not mean, however, that continuing full employment is assured. It is probable that demobilization of the armed forces will proceed faster than the increase in civilian employment opportunities. Even if substantial further withdrawals from the labor market occur, unemployment will increase temporarily. The extent to which this unemployment will persist depends largely on the speed of industrial expansion and the effectiveness of the policies of the Federal Government.

Along with extraordinary demand there are still at this time many critical shortages resulting from the war. These extraordinary demands and shortages may lead to a speculative boom, especially in the price of securities, real estate, and inventories.

Therefore, our chief worry still is inflation.

While we control this inflationary pressure we must look forward to the time when this extraordinary demand will subside. It will be years before we catch up with the demand for housing. The extraordinary demand for other durable goods, for the replenishment of inventories, and for exports may be satisfied earlier. No backlog of demand can exist very long in the face of our tremendous productive capacity. We must expect again

to face the problem of shrinking demand and consequent slackening in sales, production, and employment. This possibility of a deflationary spiral in the future will exist unless we now plan and adopt an effective full employment program.

2. GENERAL POLICIES—IMMEDIATE AND LONG-RANGE

During the war, production for civilian use was limited by war needs and available manpower. Economic stabilization required measures to spread limited supplies equitably by rationing, price controls, increased taxes, savings bond campaigns, and credit controls. Now, with the surrender of our enemies, economic stabilization requires that policies be directed toward promoting an increase in supplies at low unit prices.

We must encourage the development of resources and enterprises in all parts of the country, particularly in underdeveloped areas. For example, the establishment of new peacetime industries in the Western States and in the South would, in my judgment, add to existing production and markets rather than merely bring about a shifting of production. I am asking the Secretaries of Agriculture, Commerce, and Labor to explore jointly methods for stimulating new industries, particularly in areas with surplus agricultural labor.

We must also aid small businessmen and particularly veterans who are competent to start their own businesses. The establishment and development of efficient small business ventures, I believe, will not take away from, but rather will add to, the total business of all enterprises.

Even with maximum encouragement of production, we cannot hope to remove scarcities within a short time. The most serious deficiencies will persist in the fields of resi-

dential housing, building materials, and consumers' durable goods. The critical situation makes continued rent control, price control, and priorities, allocations, and inventory controls absolutely essential. Continued control of consumer credit will help to reduce the pressure on prices of durable goods and will also prolong the period during which the backlog demand will be effective.

While we are meeting these immediate needs we must look forward to a long-range program of security and increased standard of living.

The best protection of purchasing power is a policy of full production and full employment opportunities. Obviously, an employed worker is a better customer than an unemployed worker. There always will be, however, some frictional unemployment. In the present period of transition we must deal with such temporary unemployment as results from the fact that demobilization will proceed faster than reconversion or industrial expansion. Such temporary unemployment is probably unavoidable in a period of rapid change. The unemployed worker is a victim of conditions beyond his control. He should be enabled to maintain a reasonable standard of living for himself and his family.

The most serious difficulty in the path of reconversion and expansion is the establishment of a fair wage structure.

The ability of labor and management to work together, and the wage and price policies which they develop, are social and economic issues of first importance.

Both labor and management have a special interest. Labor's interest is very direct and personal because working conditions, wages, and prices affect the very life and happiness of the worker and his family.

Management has a no less direct interest

because on management rests the responsibility for conducting a growing and prosperous business.

But management and labor have identical interests in the long run. Good wages mean good markets. Good business means more jobs and better wages. In this age of cooperation and in our highly organized economy the problems of one very soon become the problems of all.

Better human relationships are an urgent need to which organized labor and management should address themselves. No government policy can make men understand each other, agree, and get along unless they conduct themselves in a way to foster mutual respect and good will.

The Government can, however, help to develop machinery which, with the backing of public opinion, will assist labor and management to resolve their disagreements in a peaceful manner and reduce the number and duration of strikes.

All of us realize that productivity—increased output per man—is in the long run the basis of our standard of living. Management especially must realize that if labor is to work wholeheartedly for an increase in production, workers must be given a just share of increased output in higher wages.

Most industries and most companies have adequate leeway within which to grant substantial wage increases. These increases will have a direct effect in increasing consumer demand to the high levels needed. Substantial wage increases are good business for business because they assure a large market for their products; substantial wage increases are good business for labor because they increase labor's standard of living; substantial wage increases are good business for the country as a whole because capacity production means an active, healthy, friendly citizenry enjoying the benefits of democracy

under our free enterprise system.

Labor and management in many industries have been operating successfully under the Government's wage-price policy. Upward revisions of wage scales have been made in thousands of establishments throughout the Nation since VJ-day. It is estimated that about 6 million workers, or more than 20 percent of all employees in nonagricultural and nongovernmental establishments, have received wage increases since August 18, 1945. The amounts of increases given by individual employers concentrate between 10 and 15 percent, but range from less than 5 percent to over 30 percent.

The United States Conciliation Service since VJ-day has settled over 3,000 disputes affecting over 1,300,000 workers without a strike threat and has assisted in settling about 1,300 disputes where strikes were threatened which involved about 500,000 workers. Only workers directly involved, and not those in related industries who might have been indirectly affected, are included in these estimates.

Many of these adjustments have occurred in key industries and would have seemed to us major crises if they had not been settled peaceably.

Within the framework of the wage-price policy there has been definite success, and it is to be expected that this success will continue in a vast majority of the cases arising in the months ahead.

However, everyone who realizes the extreme need for a swift and orderly reconversion must feel a deep concern about the number of major strikes now in progress. If long continued, these strikes could put a heavy brake on our program.

I have already made recommendations to the Congress as to the procedure best adapted to meeting the threat of work stoppages in Nation-wide industries without sacrificing

the fundamental rights of labor to bargain collectively and ultimately to strike in support of their position.

If we manage our economy properly, the future will see us on a level of production half again as high as anything we have ever accomplished in peacetime. Business can in the future pay higher wages and sell for lower prices than ever before. This is not true now for all companies, nor will it ever be true for all, but for business generally it is true.

We are relying on all concerned to develop, through collective bargaining, wage structures that are fair to labor, allow for necessary business incentives, and conform with a policy designed to "hold the line" on prices.

Production and more production was the byword during the war and still is during the transition from war to peace. However, when deferred demand slackens, we shall once again face the deflationary dangers which beset this and other countries during the 1930's. Prosperity can be assured only by a high level of demand supported by high current income; it cannot be sustained by deferred needs and use of accumulated savings.

If we take the right steps in time we can certainly avoid the disastrous excesses of runaway booms and headlong depressions. We must not let a year or two of prosperity lull us into a false feeling of security and a repetition of the mistakes of the 1920's that culminated in the crash of 1929.

During the year ahead the Government will be called upon to act in many important fields of economic policy from taxation and foreign trade to social security and housing. In every case there will be alternatives. We must choose the alternatives which will best measure up to our need for maintaining production and employment in the future. We must never lose sight of our long-term ob-

jectives: the broadening of markets—the maintenance of steadily rising demand. This demand can come from only three sources: consumers, businesses, or government.

In this country the job of production and distribution is in the hands of businessmen, farmers, workers, and professional people—in the hands of our citizens. We want to keep it that way. However, it is the Government's responsibility to help business, labor, and farmers do their jobs.

There is no question in my mind that the Government, acting on behalf of all the people, must assume the ultimate responsibility for the economic health of the Nation. There is no other agency that can. No other organization has the scope or the authority, nor is any other agency accountable, to all the people. This does not mean that the Government has the sole responsibility, nor that it can do the job alone, nor that it can do the job directly.

All of the policies of the Federal Government must be geared to the objective of sustained full production and full employment—to raise consumer purchasing power and to encourage business investment. The programs we adopt this year and from now on will determine our ability to achieve our objectives. We must continue to pay particular attention to our fiscal, monetary, and tax policy, programs to aid business—especially small business—and transportation, labor-management relations and wage-price policy, social security and health, education, the farm program, public works, housing and resource development, and economic foreign policy.

For example, the kinds of tax measures we have at different times—whether we raise our revenue in a way to encourage consumer spending and business investment or to discourage it—have a vital bearing on this question. It is affected also by regula-

tions on consumer credit and by the money market, which is strongly influenced by the rate of interest on Government securities. It is affected by almost every step we take.

In short, the way we handle the proper functions of government, the way we time the exercise of our traditional and legitimate governmental functions, has a vital bearing on the economic health of the Nation.

These policies are discussed in greater detail in the accompanying Fifth Quarterly Report of the Director of War Mobilization and Reconversion.

3. LEGISLATION HERETOFORE RECOMMENDED AND STILL PENDING

To attain some of these objectives and to meet the other needs of the United States in the reconversion and postwar period, I have from time to time made various recommendations to the Congress.

In making these recommendations I have indicated the reasons why I deemed them essential for progress at home and abroad. A few—a very few—of these recommendations have been enacted into law by the Congress. Most of them have not. I here reiterate some of them, and discuss others later in this Message. I urge upon the Congress early consideration of them. Some are more urgent than others, but all are necessary.

(1) Legislation to authorize the President to create fact-finding boards for the prevention of stoppages of work in Nation-wide industries after collective bargaining and conciliation and voluntary arbitration have failed—as recommended by me on December 3, 1945.

(2) Enactment of a satisfactory full employment bill such as the Senate bill now in conference between the Senate and the

House—as recommended by me on September 6, 1945.

(3) Legislation to supplement the unemployment insurance benefits for unemployed workers now provided by the different States—as recommended by me on May 28, 1945.

(4) Adoption of a permanent Fair Employment Practice Act—as recommended by me on September 6, 1945.

(5) Legislation substantially raising the amount of minimum wages now provided by law—as recommended by me on September 6, 1945.

(6) Legislation providing for a comprehensive program for scientific research—as recommended by me on September 6, 1945.

(7) Legislation enacting a health and medical care program—as recommended by me on November 19, 1945.

(8) Legislation adopting the program of universal training—as recommended by me on October 23, 1945.

(9) Legislation providing an adequate salary scale for all Government employees in all branches of the Government—as recommended by me on September 6, 1945.

(10) Legislation making provision for succession to the Presidency in the event of the death or incapacity or disqualification of the President and Vice President—as recommended by me on June 19, 1945.

(11) Legislation for the unification of the armed services—as recommended by me on December 19, 1945.

(12) Legislation for the domestic use and control of atomic energy—as recommended by me on October 3, 1945.

(13) Retention of the United States Employment Service in the Federal Government for a period at least up to June 30, 1947—as recommended by me on September 6, 1945.

(14) Legislation to increase unemployment allowances for veterans in line with increases for civilians—as recommended by me on September 6, 1945.

(15) Social security coverage for veterans for their period of military service—as recommended by me on September 6, 1945.

(16) Extension of crop insurance—as recommended by me on September 6, 1945.

(17) Legislation permitting the sale of ships by the Maritime Commission at home and abroad—as recommended by me on September 6, 1945. I further recommend that this legislation include adequate authority for chartering vessels both here and abroad.

(18) Legislation to take care of the stock piling of materials in which the United States is naturally deficient—as recommended by me on September 6, 1945.

(19) Enactment of Federal airport legislation—as recommended by me on September 6, 1945.

(20) Legislation repealing the Johnson Act on foreign loans—as recommended by me on September 6, 1945.

(21) Legislation for the development of the Great Lakes-St. Lawrence River Basin—as recommended by me on October 3, 1945.

4. POLICIES IN SPECIFIC FIELDS

(a) *Extension of Price Control Act.*

Today inflation is our greatest immediate domestic problem. So far the fight against inflation has been waged successfully. Since May 1943, following President Roosevelt's "hold the line" order and in the face of the greatest pressures which this country has ever seen, the cost of living index has risen only three percent. Wholesale prices in this same period have been held to an increase of two and one-half percent.

This record has been made possible by the

vigorous efforts of the agencies responsible for this program. But their efforts would have been fruitless if they had not had the solid support of the great masses of our people. The Congress is to be congratulated for its role in providing the legislation under which this work has been carried out.

On VJ-day it was clear to all thinking people that the danger of inflation was by no means over. Many of us can remember vividly our disastrous experience following World War I. Then the very restricted wartime controls were lifted too quickly, and as a result prices and rents moved more rapidly upward. In the year and a half following the armistice, rents, food, and clothing shot to higher and still higher levels.

When the inevitable crash occurred less than two years after the end of the war, business bankruptcies were widespread. Profits were wiped out. Inventory losses amounted to billions of dollars. Farm income dropped by one-half. Factory pay rolls dropped 40 percent, and nearly one-fifth of all our industrial workers were walking the streets in search of jobs. This was a grim greeting, indeed, to offer our veterans who had just returned from overseas.

When I addressed the Congress in September, I emphasized that we must continue to hold the price line until the production of goods caught up with the tremendous demands. Since then we have seen demonstrated the strength of the inflationary pressures which we have to face.

Retail sales in the closing months of 1945 ran 12 percent above the previous peak for that season, which came in 1944. Prices throughout the entire economy have been pressing hard against the price ceilings. The prices of real estate, which cannot now be controlled under the law, are rising rapidly. Commercial rents are not included in the

present price control law and, where they are not controlled by State law, have been increasing, causing difficulties to many businessmen.

It will be impossible to maintain a high purchasing power or an expanding production unless we can keep prices at levels which can be met by the vast majority of our people. Full production is the greatest weapon against inflation, but until we can produce enough goods to meet the threat of inflation the Government will have to exercise its wartime control over prices.

I am sure that the people of the United States are disturbed by the demands made by several business groups with regard to price and rent control.

I am particularly disturbed at the effect such thinking may have on production and employment. If manufacturers continue to hold back goods and decline to submit bids when invited—as I am informed some are doing—in anticipation of higher prices which would follow the end of price controls, we shall inevitably slow down production and create needless unemployment. On the other hand, there are the vast majority of American businessmen who are not holding back goods, but who need certainty about the Government pricing policy in order to fix their own long-range pricing policies.

Businessmen are entitled therefore to a clear statement of the policy of the Government on the subject. Tenants and housewives, farmers and workers—consumers in general—have an equal right.

We are all anxious to eliminate unnecessary controls just as rapidly as we can do so. The steps that we have already taken in many directions toward that end are a clear indication of our policy.

The present Price Control Act expires on June 30, 1946. If we expect to maintain a steady economy we shall have to maintain

price and rent control for many months to come. The inflationary pressures on prices and rents, with relatively few exceptions, are now at an all-time peak. Unless the Price Control Act is renewed there will be no limit to which our price levels would soar. Our country would face a national disaster.

We cannot wait to renew the act until immediately before it expires. Inflation results from psychological as well as economic conditions. The country has a clear right to know where the Congress stands on this all-important problem. Any uncertainty now as to whether the act will be extended gives rise to price speculation, to withholding of goods from the market in anticipation of rising prices, and to delays in achieving maximum production.

I do not doubt that the Congress will be beset by many groups who will urge that the legislation that I have proposed should either be eliminated or modified to the point where it is nearly useless. The Congress has a clear responsibility to meet this challenge with courage and determination. I have every confidence that it will do so.

I strongly urge that the Congress now resolve all doubts and as soon as possible adopt legislation continuing rent and price control in effect for a full year from June 30, 1946.

(b) Food subsidies.

If the price line is to be held, if our people are to be protected against the inflationary dangers which confront us, we must do more than extend the Price Control Act. In September we were hopeful that the inflationary pressures would by this time have begun to diminish. We were particularly hopeful on food. Indeed, it was estimated that food prices at retail would drop from 3 to 5 percent in the first six months following the end of the war.

In anticipation of this decline in food prices, it was our belief that food subsidies could be removed gradually during the winter and spring months, and eliminated almost completely by June 30 of this year. It was our feeling that the food subsidies could be dropped without an increase to the consumer in the present level of food prices or in the over-all cost of living.

As matters stand today, however, food prices are pressing hard against the ceilings. The expected decline in food prices has not occurred, nor is it likely to occur for many months to come. This brings me to the reluctant conclusion that food subsidies must be continued beyond June 30, 1946.

If we fail to take this necessary step, meat prices on July 1 will be from 3 to 5 cents higher than their average present levels; butter will be at least 12 cents a pound higher, in addition to the 5 cents a pound increase of last fall; milk will increase from 1 to 2 cents a quart; bread will increase about 1 cent a loaf; sugar will increase over 1 cent a pound; cheese, in addition to the increase of 4 cents now planned for the latter part of this month, will go up an additional 8 cents. In terms of percentages we may find the cost-of-living index for food increased by more than 8 percent, which in turn would result in more than a 3-percent increase in the cost of living.

If prices of food were allowed to increase by these amounts, I must make it clear to the Congress that, in my opinion, it would become extremely difficult for us to control the forces of inflation.

None of us likes subsidies. Our farmers, in particular, have always been opposed to them.

But I believe our farmers are as deeply conscious as any group in the land of the havoc which inflation can create. Certainly

in the past eighteen months there has been no group which has fought any harder in support of the Government's price control program. I am confident that, if the facts are placed before them and if they see clearly the evils between which we are forced to choose, they will understand the reasons why subsidies must be continued.

The legislation continuing the use of food subsidies into the new fiscal year should be tied down specifically to certain standards. A very proper requirement, in my opinion, would be that subsidies be removed as soon as it is indicated that the cost of living will decline below the present levels.

(c) Extension of War Powers Act.

The Second War Powers Act has recently been extended by the Congress for six months instead of for a year. It will now expire, unless further extended, on June 30, 1946. This act is the basis for priority and inventory controls governing the use of scarce materials, as well as for other powers essential to orderly reconversion.

I think that this Administration has given adequate proof of the fact that it desires to eliminate wartime controls as quickly and as expeditiously as possible. However, we know that there will continue to be shortages of certain materials caused by the war even after June 30, 1946. It is important that businessmen know now that materials in short supply are going to be controlled and distributed fairly as long as these war-born shortages continue.

I, therefore, urge the Congress soon to extend the Second War Powers Act. We cannot afford to wait until just before the act expires next June. To wait would cause the controls to break down in a short time, and would hamper our production and employment program.

(d) Small business and competition.

A rising birth rate for small business, and a favorable environment for its growth, are not only economic necessities but also important practical demonstrations of opportunity in a democratic free society. A great many veterans and workers with new skills and experience will want to start in for themselves. The opportunity must be afforded them to do so. They are the small businessmen of the future.

Actually when we talk about small business we are talking about almost all of the Nation's individual businesses. Nine out of every ten concerns fall into this category, and 45 percent of all workers are employed by them. Between 30 and 40 percent of the total value of all business transactions are handled by small business.

It is obvious national policy to foster the sound development of small business. It helps to maintain high levels of employment and national income and consumption of the goods and services that the Nation can produce. It encourages the competition that keeps our free enterprise economy vigorous and expanding. Small business, because of its flexibility, assists in the rapid exploitation of scientific and technological discoveries. Investment in small business can absorb a large volume of savings that might otherwise not be tapped.

The Government should encourage and is encouraging small-business initiative and originality to stimulate progress through competition.

During the war, the Smaller War Plants Corporation assisted small concerns to make a maximum contribution to victory. The work of the Smaller War Plants Corporation is being carried on in peacetime by the Federal Loan Agency and the Department of Commerce. The fundamental approach to

the job of encouraging small concerns must be based on:

1. Arrangements for making private and public financial resources available on reasonable terms.

2. Provision of technical advice and assistance to business as a whole on production, research, and management problems. This will help equalize competitive relationships between large and small companies, for many of the small companies cannot afford expensive technical research, accounting, and tax advice.

3. Elimination of trade practices and agreements which reduce competition and discriminate against new or small enterprises.

We speak a great deal about the free enterprise economy of our country. It is competition that keeps it free. It is competition that keeps it growing and developing. The truth is that we need far more competition in the future than we have had in the immediate past.

By strangling competition, monopolistic activity prevents or deters investment in new or expanded production facilities. This lessens the opportunity for employment and chokes off new outlets for idle savings. Monopoly maintains prices at artificially high levels and reduces consumption which, with lower prices, would rise and support larger production and higher employment. Monopoly, not being subject to competitive pressure, is slow to take advantage of technical advances which would lower prices or improve quality. All three of these monopolistic activities very directly lower the standard of living—through higher prices and lower quality of product—which free competition would improve.

The Federal Government must protect legitimate business and consumers from

predatory and monopolistic practices by the vigilant enforcement of regulatory legislation. The program will be designed to have a maximum impact upon monopolistic bottlenecks and unfair competitive practices hindering expansion in employment.

During the war, enforcement of anti-monopoly laws was suspended in a number of fields. The Government must now take major steps not only to maintain enforcement of antitrust laws but to encourage new and competing enterprises in every way. The deferred demand of the war years and the large accumulations of liquid assets provide ample incentive for expansion. Equalizing of business opportunity, under full and free competition, must be a prime responsibility in the reconversion period and in the years that follow. Many leading businessmen have recognized the importance of such action both to themselves and to the economy as a whole.

But we must do more than break up trusts and monopolies after they have begun to strangle competition. We must take positive action to foster new, expanding enterprises. By legislation and by administration we must take specific steps to discourage the formation or the strengthening of competition-restricting business. We must have an over-all antimonopoly policy which can be applied by all agencies of the Government in exercising the functions assigned to them—a policy designed to encourage the formation and growth of new and freely competitive enterprises.

Among the many departments and agencies which have parts in the program affecting business and competition, the Department of Commerce has a particularly important role. That is why I have recommended a substantial increase in appropriations for the next fiscal year for this Department.

In its assistance to industry, the Department of Commerce will concentrate its efforts on these primary objectives: Promotion of a large and well-balanced foreign trade; provision of improved technical assistance and management aids, especially for small enterprises; and strengthening of basic statistics on business operations, both by industries and by regions. To make new inventions and discoveries available more promptly to all businesses, small and large, the Department proposes to expand its own research activities, promote research by universities, improve Patent Office procedures, and develop a greatly expanded system of field offices readily accessible to the businesses they serve.

Many gaps exist in the private financial mechanism, especially in the provision of long-term funds for small- and medium-sized enterprises. In the peacetime economy the Reconstruction Finance Corporation will take the leadership in assuring adequate financing for small enterprises which cannot secure funds from other sources. Most of the funds should and will be provided by private lenders; but the Reconstruction Finance Corporation will share any unusual risks through guarantees of private loans, with direct loans only when private capital is unwilling to participate on a reasonable basis.

(e) *Minimum wage.*

Full employment and full production may be achieved only by maintaining a level of consumer income far higher than that of the prewar period. A high level of consumer income will maintain the market for the output of our mills, farms, and factories, which we have demonstrated during the war years that we can produce. One of the basic steps which the Congress can take to establish a high level of consumer income is to

amend the Fair Labor Standards Act to raise substandard wages to a decent minimum and to extend similar protection to additional workers who are not covered by the present act.

Substandard wages are bad for business and for the farmer. Substandard wages provide only a substandard market for the goods and services produced by American industry and agriculture.

At the present time the Fair Labor Standards Act prescribes a minimum wage of 40 cents an hour for those workers who are covered by the act. The present minimum wage represents an annual income of about \$800 to those continuously employed for 50 weeks—clearly a wholly inadequate budget for an American family. I am in full accord with the proposal now pending in the Congress that the statutory minimum be raised immediately to 65 cents an hour, with further increases to 70 cents after one year and to 75 cents after two years. I also favor the proposal that the industry committee procedure be used to set rates higher than 65 cents per hour during the two-year interval before the 75-cent basic wage would otherwise become applicable.

The proposed minimum wage of 65 cents an hour would assure the worker an annual income of about \$1,300 a year in steady employment. This amount is clearly a modest goal. After considering cost-of-living increases in recent years, it is little more than a 10-cent increase over the present legal minimum. In fact, if any large number of workers earn less than this amount, we will find it impossible to maintain the levels of purchasing power needed to sustain the stable prosperity which we desire. Raising the minimum to 75 cents an hour will provide the wage earner with an annual income of \$1,500 if he is fully employed.

The proposed higher minimum wage levels are feasible without involving serious price adjustments or serious geographic dislocations.

Today about 20 percent of our manufacturing wage earners—or about 2 million—earn less than 65 cents an hour. Because wages in most industries have risen during the war, this is about the same as the proportion—17 percent—who were earning less than 40 cents an hour in 1941.

I also recommend that minimum wage protection be extended to several groups of workers not now covered. The need for a decent standard of living is by no means limited to those workers who happen to be covered by the act as it now stands. It is particularly vital at this period of readjustment in the national economy and readjustment in employment of labor to extend minimum wage protection as far as possible.

Lifting the basic minimum wage is necessary, it is justified as a matter of simple equity to workers, and it will prove not only feasible but also directly beneficial to the Nation's employers.

(f) Agricultural programs.

The farmers of America generally are entering the crop year of 1946 in better financial condition than ever before. Farm mortgage debt is the lowest in 30 years. Farmers' savings are the largest in history. Our agricultural plant is in much better condition than after World War I. Farm machinery and supplies are expected to be available in larger volume, and farm labor problems will be less acute.

The demand for farm products will continue strong during the next year or two because domestic purchases will be supplemented by a high level of exports and foreign relief shipments. It is currently esti-

mated that from 7 to 10 percent of the total United States food supply may be exported in the calendar year 1946.

Farm prices are expected to remain at least at their present levels in the immediate future, and for at least the next 12 months they are expected to yield a net farm income double the 1935-39 average and higher than in any year prior to 1943.

We can look to the future of agriculture with greater confidence than in many a year in the past. Agriculture itself is moving confidently ahead, planning for another year of big production, taking definite and positive steps to lead the way toward an economy of abundance.

Agricultural production goals for 1946 call for somewhat greater acreage than actually was planted in 1945. Agriculture is prepared to demonstrate that it can make a peacetime contribution as great as its contribution toward the winning of the war.

In spite of supplying our armed forces and our allies during the war with a fifth to a fourth of our total food output, farmers were still able to provide our civilians with 8 percent more food per capita than the average for the five years preceding the war. Since the surrender of Japan, civilian food consumption has risen still further. By the end of 1945 the amount of the increase in food consumption was estimated to be as high as 15 percent over the prewar average. The record shows that the people of this country want and need more food and that they will buy more food if only they have the jobs and the purchasing power. The first essential therefore in providing fully for the welfare of agriculture is to maintain full employment and a high level of purchasing power throughout the Nation.

For the period immediately ahead we shall still have the problem of supplying enough food. If we are to do our part in aiding

the war-stricken and starving countries some of the food desires of our own people will not be completely satisfied, at least until these nations have had an opportunity to harvest another crop. During the next few months the need for food in the world will be more serious than at any time during the war. And, despite the large shipments we have already made, and despite what we shall send, there remain great needs abroad.

Beyond the relief feeding period, there will still be substantial foreign outlets for our farm commodities. The chief dependence of the farmer, however, as always, must be upon the buying power of our own people.

The first obligation of the Government to agriculture for the reconversion period is to make good on its price-support commitments. This we intend to do, with realistic consideration for the sound patterns of production that will contribute most to the long-time welfare of agriculture and the whole Nation. The period during which prices are supported will provide an opportunity for farmers individually to strengthen their position in changing over from a war-time to a peacetime basis of production. It will provide an opportunity for the Congress to review the needs of agriculture and make changes in national legislation where experience has shown changes to be needed. In this connection, the Congress will wish to consider legislation to take the place of the 1937 Sugar Act which expires at the end of this year. During this period we must do a thorough job of basic planning to the end that agriculture shall be able to contribute its full share toward a healthy national economy.

Our long-range agricultural policies should have two main objectives: First, to assure the people on the farms a fair share of the national income; and, second, to encourage an agricultural production pattern

that is best fitted to the Nation's needs. To accomplish this second objective we shall have to take into consideration changes that have taken place and will continue to take place in the production of farm commodities—changes that affect costs and efficiency and volume.

What we seek ultimately is a high level of food production and consumption that will provide good nutrition for everyone. This cannot be accomplished by agriculture alone. We can be certain of our capacity to produce food, but we have often failed to distribute it as well as we should and to see that our people can afford to buy it. The way to get good nutrition for the whole Nation is to provide employment opportunities and purchasing power for all groups that will enable them to buy full diets at market prices.

Wherever purchasing power fails to reach this level we should see that they have some means of getting adequate food at prices in line with their ability to buy. Therefore, we should have available supplementary programs that will enable all our people to have enough of the right kind of food.

For example, one of the best possible contributions toward building a stronger, healthier Nation would be a permanent school-lunch program on a scale adequate to assure every school child a good lunch at noon. The Congress, of course, has recognized this need for a continuing school-lunch program and legislation to that effect has been introduced and hearings held. The plan contemplates the attainment of this objective with a minimum of Federal expenditures. I hope that the legislation will be enacted in time for a permanent program to start with the beginning of the school year next fall.

We have the technical knowledge and the productive capacity to provide plenty of good

food for every man, woman, and child in the United States. It is time we made that possibility a reality.

(g) Resource development.

The strength of our Nation and the welfare of the people rest upon the natural resources of the country. We have learned that proper conservation of our lands, including our forests and minerals, and wise management of our waters will add immensely to our national wealth.

The first step in the Government's conservation program must be to find out just what are our basic resources, and how they should be used. We need to take, as soon as possible, an inventory of the lands, the minerals, and the forests of the Nation.

During the war it was necessary to curtail some of our long-range plans for development of our natural resources, and to emphasize programs vital to the prosecution of the war. Work was suspended on a number of flood control and reclamation projects and on the development of our national forests and parks. This work must now be resumed, and new projects must be undertaken to provide essential services and to assist in the process of economic development.

The rivers of America offer a great opportunity to our generation in the management of the national wealth. By a wise use of Federal funds, most of which will be repaid into the Treasury, the scourge of floods and drought can be curbed, water can be brought to arid lands, navigation can be extended, and cheap power can be brought alike to the farms and to the industries of our land.

Through the use of the waters of the Columbia River, for example, we are creating a rich agricultural area as large as the State of Delaware. At the same time, we are producing power at Grand Coulee and at Bonneville which played a mighty part

in winning the war and which will found a great peacetime industry in the Northwest. The Tennessee Valley Authority will resume its peacetime program of promoting full use of the resources of the Valley. We shall continue our plans for the development of the Missouri Valley, the Arkansas Valley, and the Central Valley of California.

The Congress has shown itself alive to the practical requirements for a beneficial use of our water resources by providing that preference in the sale of power be given to farmers' cooperatives and public agencies. The public power program thus authorized must continue to be made effective by building the necessary generating and transmission facilities to furnish the maximum of firm power needed at the wholesale markets, which are often distant from the dam sites.

These great developmental projects will open the frontiers of agriculture, industry, and commerce. The employment opportunities thus offered will also go far to ease the transition from war to peace.

(h) Public works.

During the war even urgently needed Federal, State, and local construction projects were deferred in order to release resources for war production. In resuming public works construction, it is desirable to proceed only at a moderate rate, since demand for private construction will be abnormally high for some time. Our public works program should be timed to reach its peak after demand for private construction has begun to taper off. Meanwhile, however, plans should be prepared if we are to act promptly when the present extraordinary private demand begins to run out.

The Congress made money available to Federal agencies for their public works planning in the fiscal year 1946. I strongly recommend that this policy be continued and

extended in the fiscal year 1947.

State and local governments also have an essential role to play in a national public works program. In my message of September 6, 1945, I recommended that the Congress vote such grants to State and local governments as will insure that each level of government makes its proper contribution to a balanced public construction program. Specifically, the Federal Government should aid State and local governments in planning their own public works programs, in undertaking projects related to Federal programs of regional development, and in constructing such public works as are necessary to carry out the various policies of the Federal Government.

Early in 1945 the Congress made available advances to State and local governments for planning public works projects, and recently made additional provision to continue these advances through the fiscal year 1946. I believe that further appropriations will be needed for the same purpose for the fiscal year 1947.

The Congress has already made provision for highway programs. It is now considering legislation which would expand Federal grants and loans in several other fields, including construction of airports, hospital and health centers, housing, water pollution control facilities, and educational plant facilities. I hope that early action will be taken to authorize these Federal programs.

With respect to public works of strictly local importance, State and local governments should proceed without Federal assistance except in planning. This rule should be subject to review when and if the prospect of highly adverse general economic developments warrants it.

All loans and grants for public works should be planned and administered in such a way that they are brought into accord with

the other elements of the Federal Program.

Our long-run objective is to achieve a program of direct Federal and Federally assisted public works which is planned in advance and synchronized with business conditions. In this way it can make its greatest contribution to general economic stability.

(i) National housing program.

Last September I stated in my message to the Congress that housing was high on the list of matters calling for decisive action.

Since then the housing shortage in countless communities, affecting millions of families, has magnified this call to action.

Today we face both an immediate emergency and a major postwar problem.

Since VJ-day the wartime housing shortage has been growing steadily worse and pressure on real estate values has increased. Returning veterans often cannot find a satisfactory place for their families to live, and many who buy have to pay exorbitant prices. Rapid demobilization inevitably means further overcrowding.

A realistic and practical attack on the emergency will require aggressive action by local governments, with Federal aid, to exploit all opportunities and to give the veterans as far as possible first chance at vacancies. It will require continuation of rent control in shortage areas as well as legislation to permit control of sales prices. It will require maximum conversion of temporary war units for veterans' housing and their transportation to communities with the most pressing needs; the Congress has already appropriated funds for this purpose.

The inflation in the price of housing is growing daily.

As a result of the housing shortage, it is inevitable that the present dangers of inflation in home values will continue unless

the Congress takes action in the immediate future.

Legislation is now pending in the Congress which would provide for ceiling prices for old and new houses. The authority to fix such ceilings is essential. With such authority, our veterans and other prospective home owners would be protected against a skyrocketing of home prices. The country would be protected from the extension of the present inflation in home values which, if allowed to continue, will threaten not only the stabilization program but our opportunities for attaining a sustained high level of home construction.

Such measures are necessary stopgaps—but only stopgaps. This emergency action, taken alone, is good—but not enough. The housing shortage did not start with the war or with demobilization; it began years before that and has steadily accumulated. The speed with which the Congress establishes the foundation for a permanent, long-range housing program will determine how effectively we grasp the immense opportunity to achieve our goal of decent housing and to make housing a major instrument of continuing prosperity and full employment in the years ahead. It will determine whether we move forward to a stable and healthy housing enterprise and toward providing a decent home for every American family.

Production is the only fully effective answer. To get the wheels turning, I have appointed an emergency housing expediter. I have approved establishment of priorities designed to assure an ample share of scarce materials to builders of houses for which veterans will have preference. Additional price and wage adjustments will be made where necessary, and other steps will be taken to stimulate greater production of bottleneck items. I recommend considera-

tion of every sound method for expansion in facilities for insurance of privately financed housing by the Federal Housing Administration and resumption of previously authorized low-rent public housing projects suspended during the war.

In order to meet as many demands of the emergency situation as possible, a program of emergency measures is now being formulated for action. These will include steps in addition to those already taken. As quickly as this program can be formulated, announcement will be made.

Last September I also outlined to the Congress the basic principles for the kind of decisive, permanent legislation necessary for a long-range housing program.

These principles place paramount the fact that housing construction and financing for the overwhelming majority of our citizens should be done by private enterprise. They contemplate also that we afford governmental encouragement to privately financed house construction for families of moderate income, through extension of the successful system of insurance of housing investment; that research be undertaken to develop better and cheaper methods of building homes; that communities be assisted in appraising their housing needs; that we commence a program of Federal aid, with fair local participation, to stimulate and promote the rebuilding and redevelopment of slums and blighted areas—with maximum use of private capital. It is equally essential that we use public funds to assist families of low income who could not otherwise enjoy adequate housing, and that we quicken our rate of progress in rural housing.

Legislation now under consideration by the Congress provides for a comprehensive attack jointly by private enterprise, State and local authorities, and the Federal Govern-

ment. This legislation would make permanent the National Housing Agency and give it authority and funds for much needed technical and economic research. It would provide additional stimulus for privately financed housing construction. This stimulus consists of establishing a new system of yield insurance to encourage large-scale investment in rental housing and broadening the insuring powers of the Federal Housing Administration and the lending powers of the Federal savings and loan associations.

Where private industry cannot build, the Government must step in to do the job. The bill would encourage expansion in housing available for the lowest income groups by continuing to provide direct subsidies for low-rent housing and rural housing. It would facilitate land assembly for urban redevelopment by loans and contributions to local public agencies where the localities do their share.

Prompt enactment of permanent housing legislation along these lines will not interfere with the emergency action already under way. On the contrary, it would lift us out of a potentially perpetual state of housing emergency. It would offer the best hope and prospect to millions of veterans and other American families that the American system can offer more to them than temporary makeshifts.

I have said before that the people of the United States can be the best housed people in the world. I repeat that assertion, and I welcome the cooperation of the Congress in achieving that goal.

(j) Social security and health.

Our Social Security System has just celebrated its tenth anniversary. During the past decade this program has supported the welfare and morale of a large part of our

people by removing some of the hazards and hardships of the aged, the unemployed, and widows and dependent children.

But, looking back over 10 years' experience and ahead to the future, we cannot fail to see defects and serious inadequacies in our system as it now exists. Benefits are in many cases inadequate; a great many persons are excluded from coverage; and provision has not been made for social insurance to cover the cost of medical care and the earnings lost by the sick and the disabled.

In the field of old-age security, there seems to be no adequate reason for excluding such groups as the self-employed, agricultural and domestic workers, and employees of non-profit organizations. Since many of these groups earn wages too low to permit significant savings for old age, they are in special need of the assured income that can be provided by old-age insurance.

We must take urgent measures for the readjustment period ahead. The Congress for some time has been considering legislation designed to supplement at Federal expense, during the immediate reconversion period, compensation payments to the unemployed. Again I urge the Congress to enact legislation liberalizing unemployment compensation benefits and extending the coverage. Providing for the sustained consumption by the unemployed persons and their families is more than a welfare policy; it is sound economic policy. A sustained high level of consumer purchases is a basic ingredient of a prosperous economy.

During the war, nearly 5 million men were rejected for military service because of physical or mental defects which in many cases might have been prevented or corrected. This is shocking evidence that large sections of the population are at substandard levels of health. The need for a program that will give everyone opportunity for medi-

cal care is obvious. Nor can there be any serious doubt of the Government's responsibility for helping in this human and social problem.

The comprehensive health program which I recommended on November 19, 1945, will require substantial additions to the Social Security System and, in conjunction with other changes that need to be made, will require further consideration of the financial basis for social security. The system of prepaid medical care which I have recommended is expected eventually to require amounts equivalent to 4 percent of earnings up to \$3,600 a year, which is about the average of present expenditures by individuals for medical care. The pooling of medical costs, under a plan which permits each individual to make a free choice of doctor and hospital, would assure that individuals receive adequate treatment and hospitalization when they are faced with emergencies for which they cannot budget individually. In addition, I recommended insurance benefits to replace part of the earnings lost through temporary sickness and permanent disability.

Even without these proposed major additions, it would now be time to undertake a thorough reconsideration of our social security laws. The structure should be expanded and liberalized. Provision should be made for extending coverage credit to veterans for the period of their service in the armed forces. In the financial provisions we must reconcile the actuarial needs of social security, including health insurance, with the requirements of a revenue system that is designed to promote a high level of consumption and full employment.

(k) *Education.*

Although the major responsibility for financing education rests with the States, some assistance has long been given by the

Federal Government. Further assistance is desirable and essential. There are many areas and some whole States where good schools cannot be provided without imposing an undue local tax burden on the citizens. It is essential to provide adequate elementary and secondary schools everywhere, and additional educational opportunities for large numbers of people beyond the secondary level. Accordingly, I repeat the proposal of last year's Budget Message that the Federal Government provide financial aid to assist the States in assuring more nearly equal opportunities for a good education. The proposed Federal grants for current educational expenditures should be made for the purpose of improving the educational system where improvement is most needed. They should not be used to replace existing non-Federal expenditures, or even to restore merely the situation which existed before the war.

In the future we expect incomes considerably higher than before the war. Higher incomes should make it possible for State and local governments and for individuals to support higher and more nearly adequate expenditures for education. But inequality among the States will still remain, and Federal help will still be needed.

As a part of our total public works program, consideration should be given to the need for providing adequate buildings for schools and other educational institutions. In view of current arrears in the construction of educational facilities, I believe that legislation to authorize grants for educational facilities, to be matched by similar expenditures by State and local authorities, should receive the favorable consideration of the Congress.

The Federal Government has not sought, and will not seek, to dominate education in the States. It should continue its historic

role of leadership and advice and, for the purpose of equalizing educational opportunity, it should extend further financial support to the cause of education in areas where this is desirable.

(1) Federal Government personnel.

The rapid reconversion of the Federal Government from war to peace is reflected in the demobilization of its civilian personnel. The number of these employees in continental United States has been reduced by more than 500,000 from the total of approximately 2,900,000 employed in the final months of the war. I expect that by next June we shall have made a further reduction of equal magnitude and that there will be continuing reductions during the next fiscal year. Of the special wartime agencies now remaining, only a few are expected to continue actively into the next fiscal year.

At the same time that we have curtailed the number of employees, we have shortened the workweek by one-sixth or more throughout the Government and have restored holidays. The process of readjustment has been complicated and costs have been increased by a heavy turn-over in the remaining personnel—particularly by the loss of some of our best administrators. Thousands of war veterans have been reinstated or newly employed in the civil service. Many civilians have been transferred from war agencies to their former peacetime agencies. Recruitment standards, which had to be relaxed during the war, are now being tightened.

The elimination last autumn of overtime work for nearly all Federal employees meant a sharp cut in their incomes. For salaried workers, the blow was softened but by no means offset by the increased rates of pay which had become effective July 1. Further adjustments to compensate for increased living costs are required. Moreover, we

have long needed a general upward revision of Federal Government salary scales at all levels in all branches—legislative, judicial, and executive. Too many in Government have had to sacrifice too much in economic advantage to serve the Nation.

Adequate salaries will result in economies and improved efficiency in the conduct of Government business—gains that will far outweigh the immediate costs. I hope the Congress will expedite action on salary legislation for all Federal employees in all branches of the Government. The only exception I would make is in the case of workers whose pay rates are established by wage boards; a blanket adjustment would destroy the system by which their wages are kept alined with prevailing rates in particular localities. The wage boards should be sensitive now, as they were during the war, to changes in local prevailing wage rates and should make adjustments accordingly.

I hope also that the Congress may see fit to enact legislation for the adequate protection of the health and safety of Federal employees, for their coverage under a system of unemployment compensation, and for their return at Government expense to their homes after separation from wartime service.

(m) Territories, insular possessions, and the District of Columbia.

The major governments of the world face few problems as important and as perplexing as those relating to dependent peoples. This Government is committed to the democratic principle that it is for the dependent peoples themselves to decide what their status shall be. To this end I asked the Congress last October to provide a means by which the people of Puerto Rico might choose their form of government and ultimate status with respect to the United States. I urge, too, that the Congress promptly ac-

cede to the wishes of the people of Hawaii that the Territory be admitted to statehood in our Union, and that similar action be taken with respect to Alaska as soon as it is certain that this is the desire of the people of that great Territory. The people of the Virgin Islands should be given an increasing measure of self-government.

We have already determined that the Philippine Islands are to be independent on July 4, 1946. The ravages of war and enemy occupation, however, have placed a heavy responsibility upon the United States. I urge that the Congress complete, as promptly and as generously as may be possible, legislation which will aid economic rehabilitation for the Philippines. This will be not only a just acknowledgment of the loyalty of the people of the Philippines, but it will help to avoid the economic chaos which otherwise will be their heritage from our common war. Perhaps no event in the long centuries of colonialism gives more hope for the pattern of the future than the independence of the Philippines.

The District of Columbia, because of its special relation to the Federal Government, has been treated since 1800 as a dependent area. We should move toward a greater measure of local self-government consistent with the constitutional status of the District. We should take adequate steps to assure that citizens of the United States are not denied their franchise merely because they reside at the Nation's Capital.

III. THE BUDGET FOR THE FEDERAL PROGRAM FOR THE FISCAL YEAR 1947

SUMMARY OF THE BUDGET

For the first time since the fiscal year 1930 the Budget for the next fiscal year will re-

quire no increase in the national debt.

Expenditures of all kinds, authorized and recommended, in the next year are estimated at just above 35.8 billion dollars. Net receipts are estimated at 31.5 billion dollars. The estimated difference of 4.3 billion dollars will be met by a reduction in the very substantial balance which will be in the Treasury during the next fiscal year.

A large part of the activities outside defense and war liquidation, aftermath of war, and international finance, classified as "other activities" in a following table, is still due to repercussions of the war. These "other activities" include more than 2 billion dollars for aids to agriculture and net outlays for the Commodity Credit Corporation—almost double the expenditures for the same purposes in prewar years. This increase is due mainly to expenditures for purposes of price stabilization and price support resulting from the war food production program. Other increases in this category are due to the fact that certain wartime agencies now in the process of liquidation are included in this group of activities. If all expenditures for those activities which are directly or indirectly related to the war are excluded, the residual expenditures are below those for corresponding activities in prewar years. In making this comparison account should be taken of the fact that, while prewar expenditures were affected by direct relief and work relief for the unemployed, the postwar budgets are affected by the considerable increase in pay rates and other increases in costs and prices.

To elaborate, the Budget, as I have remarked above, reflects on both sides of the ledger the Government's program as recommended by the Executive. It includes estimates not only of expenditures and receipts for which legislative authority already exists,

but also of expenditures and receipts for which authorization is recommended.

The Budget total for the next fiscal year, the year that ends on June 30, 1947, is estimated at just above 35.8 billion dollars—about a third of the budgets for global war, although nearly four times the prewar budgets. This estimate is based on the assumption that a rapid liquidation of the war program will be associated with rapid reconversion and expansion of peacetime production. The total includes net outlays of Government corporations.

The estimated expenditures in the next and current fiscal year compare as follows with those of a year of global war and a prewar year:

Fiscal year:	<i>Total Budget expenditures (in millions)</i>
1947.....	\$35,860
1946.....	67,229
1945.....	100,031
1940.....	9,252

Although allowances for occupation, demobilization, and defense are drastically reduced in the fiscal year 1947, they will still amount to 42 percent of the total Budget. The so-called "aftermath of war" expenditures account for a further 30 percent of the total. The total of all other programs, which was drastically cut during the war, is increasing again as liquidation of the war program proceeds and renewed emphasis is placed on the peacetime objectives of the Government.

On the other side of the ledger, net receipts are estimated at 31.5 billion dollars. This estimate assumes that all existing taxes will continue all through the fiscal year 1947. Included are the extraordinary receipts from the disposal of surplus property.

As a result, estimated expenditures will exceed estimated receipts by 4.3 billion dollars. This amount can be provided by a

reduction in the cash balance in the Treasury. Thus, after a long period of increasing public debt resulting from depression

budgets and war budgets, it is anticipated that no increase in the Federal debt will be required next year.

FEDERAL BUDGET EXPENDITURES AND BUDGET RECEIPTS

Including net outlays of Government corporations and credit agencies (based on existing and proposed legislation)

[In millions]

	<i>Fiscal year</i>	
	1946	1947
Expenditures:		
Defense, war, and war liquidation.....	\$49,000	\$15,000
Aftermath of war: Veterans, interest, refunds.....	10,813	10,793
International finance (including proposed legislation).....	2,614	2,754
Other activities.....	4,552	5,813
Activities based on proposed legislation (excluding international finance).....	250	1,500
Total expenditures.....	67,229	35,860
Receipts (net).....	38,609	31,513
Excess of expenditures.....	28,620	4,347

The current fiscal year, 1946, is a year of transition. When the year opened, in July 1945, we were still fighting a major war, and Federal expenditures were running at an annual rate of about 100 billion dollars. By June 1946 that rate will be more than cut in half. The Budget total for the current fiscal year is now estimated at 67.2 billion dollars, of which more than two-thirds provides for war and war liquidation. Since net receipts are estimated at 38.6 billion dollars, there will be an excess of expenditures of 28.6 billion dollars for the current fiscal year.

For all programs discussed in this Message I estimate the total of Budget appropriations and authorizations (including reappropriations and permanent appropriations) at 30,982 million dollars for the fiscal year 1947. Of this amount, present permanent appropriations are expected to provide 5,755 million dollars, principally for interest. This leaves 24,224 million dollars to be made available through new appropriations, exclusive of appropriations to liquidate

contract authorizations; 900 million dollars in new contract authorizations; and 103 million dollars through the reappropriation of unliquidated balances of previous appropriations. The appropriations needed to liquidate contract authorizations are estimated at 1,113 million dollars.

In the Budget for the year ahead only over-all estimates are included at this time for the major war agencies and for net outlays of Government corporations. Detailed recommendations will be transmitted in the spring for the war agencies; and the business-type budgets of Government corporations will likewise be transmitted in accordance with the recently adopted Government Corporation Control Act.

Similarly, only over-all estimates are provided for new programs recommended in this Message; detailed recommendations will be transmitted after authorizing legislation has been enacted. It should be recognized that many of the estimates for new programs recommended in this Message are initial year figures. These figures will be affected

by the date the legislation is enacted and by the time needed for getting a program under way. New programs, such as that for a national research agency, will require larger amounts in later years. The estimates exclude major elements of the proposed national health program since the greater part of these will be covered by expenditures from trust funds.

The Budget total includes expenditures for capital outlay as well as for current operations. An estimated 1,740 million dollars will be expended in the fiscal year 1947 for direct Federal public works and for loans and grants for public works.

THE ECONOMIC IMPACT OF THE LIQUIDATION OF THE WAR PROGRAM

Government programs are of such importance in the development of production and employment opportunities—domestic and international—that it has become essential to formulate and consider the Federal Budget in the light of the Nation's budget as a whole. The relationship between the receipts, expenditures, and savings of consumers, business, and government is shown in the accompanying table.

Considering the whole Nation, total expenditures must equal the total receipts, because what any individual or group spends becomes receipts of other individuals or groups. Such equality can be achieved on either a high level of incomes or on a low or depression level of incomes.

Tremendous orders for munitions during the war shifted production and employment into high gear. Total goods produced and services rendered for private as well as for Government purposes—the Nation's budget—reached about 200 billion dollars in the calendar year 1944. Federal, State, and local

government expenditures represented half of this total.

Corresponding estimates for the past 3 months depict the national economy in the process of demobilization and reconversion.

The wartime annual rate of Federal expenditures has been reduced by 32 billion dollars, while the Nation's budget total has dropped only half as much. The drop in total value of production and services has been less drastic because increasing private activities have absorbed in large measure the manpower and materials released from war production and war services.

The largest increase in private activities has occurred in business investments, which include residential and other construction, producers' durable equipment, accumulation of inventories, and net exports. Under conditions of global war, expenditures for private construction and equipment were held to a minimum and inventories were depleted. With the beginning of reconversion these developments have been reversed. Residential construction and outlays for plant and equipment are on the increase; inventories, too, are being replenished. International transactions (excluding lend-lease and international relief which are included under war expenditures) showed an import surplus under conditions of global war. In the past 3 months private exports have been slightly in excess of imports, for the first time since 1941.

Consumers' budgets show a significant change. On the income side, their total has declined but little because the reduction in "take-home" pay of war workers is, to a large extent, offset for the time being by the mustering-out payments received by war veterans and by unemployment compensation received by the unemployed. On the expenditure side, however, consumers' budgets, restricted during the war, have in-

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Public Papers of the Presidents

THE GOVERNMENT'S BUDGET AND THE NATION'S BUDGET

Calendar year 1944 and October-December 1945

[In billions]

<i>Economic group</i>	<i>Calendar year 1944 (global war)</i>			<i>October-December 1945 (start of reconversion) (in seasonally adjusted annual rates)</i>		
	<i>Receipts</i>	<i>Expenditures</i>	<i>Excess (+), deficit (-)</i>	<i>Receipts</i>	<i>Expenditures</i>	<i>Excess (+), deficit (-)</i>
CONSUMERS						
Income after taxes.....	\$134			\$132		
Expenditures.....		\$98			\$107	
Excess of receipts, savings (+).....			+\$35			+\$25
BUSINESS						
Undistributed profits and reserves.....	\$13			\$9		
Gross capital formation:						
Domestic.....		\$4			\$15	
Net exports ¹		-2			1	
Total, gross capital formation.....		2			16	
Excess of receipts (+) or capital formation (-).....			+\$11			-\$7
STATE AND LOCAL GOVERNMENT						
Receipts from the public, other than borrowing.....	\$10			\$11		
Payments to the public.....		\$8			\$9	
Excess of receipts (+).....			+\$2			+\$2
FEDERAL GOVERNMENT						
Receipts from the public, other than borrowing.....	\$48			\$44		
Payments to the public.....		\$96			\$64	
Excess of payments (-).....			-\$48			-\$20
Less: Adjustments ²	\$7	\$7		\$14	\$14	
TOTAL: GROSS NATIONAL PRODUCT						
Receipts.....	\$198			\$182		
Expenditures.....		\$198			\$182	
Balance.....			0			0

¹ Excludes exports for lend-lease and relief which are included in Federal Government expenditures.² Mainly government expenditures for other than goods and services, such as mustering-out pay and unemployment compensation.

creased substantially as a result of the fact that scarce goods are beginning to appear on the market and wartime restraints are disappearing. Thus, consumers' current savings are declining substantially from the extraordinarily high wartime rate and some wartime savings are beginning to be used for long-delayed purchases.

Unemployment has increased less than was expected during this first period of demobilization and reconversion. It is true that 6 million men and women have been discharged from the armed forces since May 1945 and more than 5 million have been laid off from war work. On the other hand, more than a million civilians have been enlisted in the armed forces, a considerable number of war veterans have not immediately sought jobs, and many war workers, especially women, have withdrawn from the labor force. In addition, many industries, and especially service trades which were undermanned during the war, are beginning now, for the first time in years, to recruit an adequate labor force. The reduced workweek has also contributed to the absorption of those released from war service and war work.

In general, the drastic cut in war programs has thrown the economy into lower gear; it has not thrown it out of gear. Our economic machine demonstrates remarkable resiliency, although there are many difficulties that must still be overcome. The rapid termination of war contracts, prompt clearance of unneeded Government-owned equipment from private plants, and other reconversion policies have greatly speeded up the beginning of peacetime work in reconverted plants.

Although the first great shock of demobilization and war-work termination has thus been met better than many observers expected, specific industries and specific regions show much unevenness in the progress

of reconversion.

The Quarterly Report of the Director of War Mobilization and Reconversion analyzes the difficulties in recruiting personnel and obtaining materials that hamper reconversion in certain industries and proposes policies to deal with these situations. The lack of adequate housing is one of the main factors checking the flow of workers into areas where job opportunities exist.

FEDERAL REVENUE, BORROWING, AND THE PUBLIC DEBT

I. FINANCIAL REQUIREMENTS AND TAX POLICY

Recommendations for tax legislation should be considered not only in the light of the financial requirements of the ensuing year, but also in the light of future years' financial requirements and a full consideration of economic conditions.

Expenditures are estimated at nearly 36 billion dollars in the fiscal year 1947; they can hardly be expected to be reduced to less than 25 billion dollars in subsequent years. Net receipts in the fiscal year 1947 are estimated at 31.5 billion dollars.

Included in this estimate are 2 billion dollars of receipts from disposal and rental of surplus property and 190 million dollars of receipts from renegotiation of wartime contracts. These sources of receipts will disappear in future years. Tax collections for the fiscal year 1947 also will not yet fully reflect the reduction in corporate tax liabilities provided in the Revenue Act of 1945. If the extraordinary receipts from the disposal of surplus property and renegotiation of contracts be disregarded, and if the tax reductions adopted in the Revenue Act of 1945 were fully effective, present tax rates would yield about 27 billion dollars.

These estimates for the fiscal year 1947 are based on the assumption of generally favorable business conditions but not on an income reflecting full employment and the high productivity that we hope to achieve. In future years the present tax system, in conjunction with a full employment level of national income, could be expected to yield more than 30 billion dollars, which is substantially above the anticipated peacetime level of expenditures.

In view of the still extraordinarily large expenditures in the coming year and continuing inflationary pressures, I am making no recommendation for tax reduction at this time.

We have already had a substantial reduction in taxes from wartime peaks. The Revenue Act of 1945 was a major tax-reduction measure. It decreased the total tax load by more than one-sixth, an amount substantially in excess of the reductions proposed by the Secretary of the Treasury to congressional tax committees in October 1945. These proposed reductions were designed to encourage reconversion and peacetime business expansion.

The possibility of further tax reductions must depend on the budgetary situation and the economic situation. The level of anticipated expenditures for the fiscal year 1947 and the volume of outstanding public debt require the maintenance of large revenues.

Moreover, inflationary pressures still appear dangerously powerful, and ill-advised tax reduction would operate to strengthen them still further.

My decision not to recommend additional tax reductions at this time is made in the light of existing economic conditions and prospects.

2. BORROWING AND THE PUBLIC DEBT

The successful conclusion of the Victory loan marked the end of war borrowing and the beginning of the transition to postwar debt management.

Because of the success of the Victory loan, I am happy to report that the Treasury will not need to borrow any new money from the public during the remainder of the present fiscal year except through regular sales of savings bonds and savings notes. Furthermore, a part of the large cash balance now in the Treasury will be used for debt redemption so that the public debt which now amounts to about 278 billion dollars will decrease by several billion dollars during the next 18 months. The present statutory debt limit of 300 billion dollars will provide an ample margin for all of the public-debt transactions through the fiscal year 1947. The net effect of the excess of expenditures and debt redemption on the Treasury cash balance, as compared with selected previous years, is shown in the following table:

EXCESS OF BUDGET EXPENDITURES, THE PUBLIC DEBT, AND THE TREASURY CASH BALANCE IN
SELECTED YEARS
[In billions]

<i>Fiscal year</i>	<i>Excess of Budget ex- penditures over receipts</i>	<i>At end of period</i>	
		<i>Public debt</i>	<i>Cash bal- ance</i>
1940.....	\$3.9	\$43.0	\$1.9
1945.....	53.6	258.7	24.7
1946:			
July-Dec. 1945.....	18.1	278.1	26.0
Jan.-June 1946.....	10.5	275.0	11.9
1947.....	4.3	271.0	3.2

Although the public debt is expected to decline, a substantial volume of refinancing will be required, because of the large volume of maturing obligations. Redemptions of savings bonds also have been running high in recent months and are expected to remain large for some time. The issuance of savings bonds will be continued. These bonds represent a convenient method of investment for small savers, and also an anti-inflationary method of refinancing. Government agencies and trust funds are expected to buy about 2.5 billion dollars of Government securities during the next 6 months, and 2.8 billion dollars more during the fiscal year 1947. Through these and other debt operations, the distribution of the Federal debt among the various types of public and private owners will change, even though the total is expected to decline.

The interest policies followed in the refinancing operations will have a major impact not only on the provision for interest payments in future budgets, but also on the level of interest rates prevailing in private financing. The average rate of interest on the debt is now a little under 2 percent. Low interest rates will be an important force in promoting the full production and full employment in the postwar period for which we are all striving. Close wartime cooperation between the Treasury Department and the Federal Reserve System has made it possible to finance the most expensive war in history at low and stable rates of interest. This cooperation will continue.

No less important than the level of interest rates paid on the debt is the distribution of its ownership. Of the total debt, more than half represents direct savings of individuals or investments of funds received from individual savings by life insurance companies, mutual savings banks, savings

and loan associations, private or Government trust funds, and other agencies.

Most of the remaining debt—more than 100 billion dollars—is held by the commercial banks and the Federal Reserve banks. Heavy purchases by the banks were necessary to provide adequate funds to finance war expenditures. A considerable portion of these obligations are short-term in character and hence will require refinancing in the coming months and years. Since they have been purchased out of newly created bank funds, continuance of the present low rates of interest is entirely appropriate. To do otherwise would merely increase bank profits at the expense of the taxpayer.

The 275-billion-dollar debt poses a problem that requires careful consideration in the determination of financial and economic policies. We have learned that the problem, serious as it is, can be managed. Its management will require determined action to keep our Federal Budget in order and to relate our fiscal policies to the requirements of an expanding economy. The more successful we are in achieving full production and full employment the easier it will be to manage the debt and pay for the debt service. Large though the debt is, it is within our economic capacity. The interest charges on it amount to but a small proportion of our national income. The Government is determined, by a resolute policy of economic stabilization, to protect the interests of the millions of American citizens who have invested in its securities.

During the past 6 months the net revenue receipts of the Federal Government have been about 20 billion dollars, almost as much as during the closing 6 months of 1944 when the country was still engaged in all-out warfare. The high level of these receipts reflects the smoothness of the reconversion and par-

ticularly the strength of consumer demand. But the receipts so far collected, it must be remembered, do not reflect any of the tax reductions made by the Revenue Act of 1945. These reductions will not have their full effect on the revenue collected until the fiscal year 1948.

It is good to move toward a balanced budget and a start on the retirement of the debt at a time when demand for goods is strong and the business outlook is good. These conditions prevail today. Business is good and there are still powerful forces working in the direction of inflation. This is not the time for tax reduction.

RECOMMENDATIONS FOR SPECIFIC FEDERAL ACTIVITIES

I. WAR LIQUIDATION AND NATIONAL DEFENSE

(a) *War expenditures.*

The fiscal year 1947 will see a continuance of war liquidation and occupation. During this period we shall also lay the foundation for our peacetime system of national defense.

In the fiscal year that ended on June 30, 1945, almost wholly a period of global warfare, war expenditures amounted to 90.5 billion dollars. For the fiscal year 1946, war expenditures were originally estimated at 70 billion dollars. That estimate was made a year ago while we were still engaged in global warfare. After victory over Japan this estimate was revised to 50.5 billion dollars. Further cut-backs and accelerated demobilization have made possible an additional reduction in the rate of war spending. During the first 6 months 32.9 billion dollars were spent. It is now estimated that 16.1 billion dollars will be spent during the second 6 months, or a total of 49 billion dollars during the whole fiscal year.

For the fiscal year 1947 it is estimated,

tentatively, that expenditures for war liquidation, for occupation, and for national defense will be reduced to 15 billion dollars. The War and Navy Departments are expected to spend 13 billion dollars; expenditures of other agencies, such as the United States Maritime Commission, the War Shipping Administration, and the Office of Price Administration, and payments to the United Nations Relief and Rehabilitation Administration are estimated at 3 billion dollars. Allowing for estimated net receipts of 1 billion dollars arising from war activities of the Reconstruction Finance Corporation, the estimated total of war expenditures is 15 billion dollars. At this time only a tentative break-down of the total estimate for war and defense activities can be indicated.

An expenditure of 15 billion dollars for war liquidation, occupation, and national defense is a large sum for a year which begins 10 months after fighting has ended. It is 10 times our expenditures for defense before the war; it amounts to about 10 percent of our expected national income. This estimate reflects the immense job that is involved in winding up a global war effort and stresses the great responsibility that victory has placed upon this country. The large expenditures needed for our national defense emphasize the great scope for effective organization in furthering economy and efficiency. To this end I have recently recommended to the Congress adoption of legislation combining the War and Navy Departments into a single Department of National Defense.

A large part of these expenditures is still to be attributed to the costs of the war. Assuming, somewhat arbitrarily, that about one-half of the 15-billion-dollar outlay for the fiscal year 1947 is for war liquidation, aggregate expenditures by this Government for the second World War are now esti-

mated at 347 billion dollars through June 30, 1947. Of this, about 9 billion dollars will have been recovered through renegotiation and sale of surplus property by June 30, 1947; this has been reflected in the estimates of receipts.

Demobilization and strength of armed forces.—Demobilization of our armed forces is proceeding rapidly. At the time of victory in Europe, about 12.3 million men and women were in the armed forces; 7.6 million were overseas. By the end of December 1945 our armed forces had been reduced to below 7 million. By June 30, 1946, they will number about 2.9 million, of whom 1.8 million will be individuals enlisted and inducted after VE-day. Mustering-out pay is a large item of our war liquidation expense; it will total 2.5 billion dollars in the fiscal year 1946, and about 500 million dollars in the fiscal year 1947.

In the fiscal year 1947 the strength of our armed forces will still be above the ultimate peacetime level. As I have said, War and Navy Department requirements indicate a strength of about 2 million in the armed forces a year from now. This is necessary to enable us to do our share in the occupation of enemy territories and in the preservation of peace in a troubled world. Expenditures for pay, subsistence, travel, and miscellaneous expenses of the armed forces, excluding mustering-out pay, are estimated at 5 billion dollars.

Contract settlement and surplus property disposal.—The winding up of war procurement is the second most important liquidation job. By the end of November a total of 301,000 prime contracts involving commitments of 64 billion dollars had been terminated. Of this total, 67,000 contracts with commitments of 35 billion dollars remained to be settled. Termination payments on these contracts are estimated at

about 3.5 billion dollars. It is expected that more than half of these terminated contracts will be settled during the current fiscal year, leaving payments of about 1.5 billion dollars for the fiscal year 1947.

Another important aspect of war supply liquidation is the disposal of surplus property. Munitions, ships, plants, installations, and supplies, originally costing 50 billion dollars or more, will ultimately be declared surplus. The sale value of this property will be far less than original cost and disposal expenses are estimated at 10 to 15 cents on each dollar realized. Disposal units within existing agencies have been organized to liquidate surplus property under the direction of the Surplus Property Administration. Overseas disposal activities have been centralized in the State Department to permit this program to be carried on in line with over-all foreign policy. Thus far only about 13 billion dollars of the ultimate surplus, including 5 billion dollars of unsalable aircraft, has been declared. Of this amount, 2.3 billion dollars have been disposed of, in sales yielding 600 million dollars. The tremendous job of handling surplus stocks will continue to affect Federal expenditures and receipts for several years. The speed and effectiveness of surplus disposal operations will be of great importance for the domestic economy as well as for foreign economic policies.

War supplies, maintenance, and relief.—Adequate provision for the national defense requires that we keep abreast of scientific and technical advances. The tentative estimates for the fiscal year 1947 make allowance for military research, limited procurement of weapons in the developmental state, and some regular procurement of munitions which were developed but not mass-produced when the war ended. Expenditures for procurement and con-

struction will constitute one-third or less of total defense outlays, compared to a ratio of two-thirds during the war years.

The estimates also provide for the maintenance of our war-expanded naval and merchant fleets, military installations, and stocks of military equipment and supplies. Our naval combatant fleet is three times its pre-Pearl Harbor tonnage. Our Merchant Marine is five times its prewar size. The War Department has billions of dollars worth of equipment and supplies. Considerable maintenance and repair expense is necessary for the equipment which we desire to retain in active status or in war reserve. Expenses will be incurred for winnowing the stocks of surpluses, for preparing lay-up facilities for the reserve fleets, and for storage of reserve equipment and supplies.

Military expenditures in the current fiscal year include 650 million dollars for civilian supplies for the prevention of starvation and disease in occupied areas. Expenditures on this account will continue in the fiscal year 1947. The war expenditures also cover the expenses of civilian administration in occupied areas.

During the war, 15 cents of each dollar of our war expenditures was for lend-lease aid. With lend-lease terminated, I expect the direct operations under this program to be substantially completed in the current fiscal year. The expenditures estimated for the fiscal year 1947 under this program are mainly interagency reimbursements for past transactions.

Relief and rehabilitation expenditures are increasing. It is imperative that we give all necessary aid within our means to the people who have borne the ravages of war. I estimate that in the fiscal year 1946 expenditures for the United Nations Relief and Rehabilitation Administration will total 1.3 billion dollars and in the following year

1.2 billion dollars. Insofar as possible, procurement for this purpose will be from war surpluses.

(b) Authorizations for war and national defense.

During the war, authorizations and appropriations had to be enacted well in advance of obligation and spending to afford ample time for planning of production by the procurement services and by industry. Thus our cumulative war program authorized in the period between July 1, 1940, and July 1, 1945, was 431 billion dollars, including net war commitments of Government corporations. Expenditures against those authorizations totaled 290 billion dollars. This left 141 billion dollars in unobligated authorizations and unliquidated obligations.

With the end of fighting, it became necessary to adjust war authorizations to the requirements of war liquidation and continuing national defense. Intensive review of the war authorizations by both the executive and the legislative branches has been continued since VJ-day. As a result, the authorized war program is being brought more nearly into line with expenditures.

Rescissions and authorizations through the fiscal year 1946.—Readjusting the war program, as the Congress well knows, is not an easy task. Authorizations must not be too tight, lest we hamper necessary operations; they must not be too ample, lest we lose control of spending. Last September, I transmitted to the Congress recommendations on the basis of which the Congress voted H.R. 4407 to repeal 50.3 billion dollars of appropriations and authorizations. I found it necessary to veto this bill because it was used as a vehicle for legislation that would impair the reemployment program. However, in order to preserve the fine work

of the Congress on the rescissions, I asked the Director of the Bureau of the Budget to place the exact amounts indicated for repeal in a nonexpendable reserve, and to advise the departments and agencies accordingly. This has been done.

In accord with Public Law 132 of the Seventy-ninth Congress, I have transmitted recommendations for additional rescissions for the current fiscal year of appropriations amounting to 5.8 billion dollars and of contract authorizations totaling 420 million dollars. The net reduction in authority to obligate will be 5.0 billion dollars, because, of the appropriations, 1.2 billion dollars will have to be restored in subsequent years to liquidate contract authorizations still on the books.

The appropriations recommended for repeal include 2,827 million dollars for the Navy Department, 1,421 million dollars for the War Department, 850 million dollars for lend-lease, 384 million dollars for the War Shipping Administration, and 260 million dollars for the United States Maritime Commission. The contract authorizations proposed for repeal are for the Maritime Commission.

In addition, there are unused tonnage authorizations for construction of naval vessels now valued at 5.4 billion dollars. In September 1945, I suggested that this authority be reviewed by the appropriate committees of the Congress, and the Congress has moved to bar construction under these authorizations during the remainder of the fiscal year 1946. I propose to continue this prohibition in the Navy budget estimates for the fiscal year 1947 and now renew my recommendation that legislation be enacted at the earliest time to clear the statute books of these authorizations.

The amounts indicated for repeal in H.R. 4407 and the further rescissions which I have

recommended, excluding duplications and deferred cash payments on existing authorizations, represent a cut in the authorized war program of 60.8 billion dollars. The war authorizations will also be reduced 3.7 billion dollars by carrying receipts of revolving accounts to surplus, by lapses, and by cancelation and repayment of commitments of the Government war corporations.

On the other hand, supplemental appropriations of 600 million dollars will be required for the United Nations Relief and Rehabilitation Administration.

In the net, it is estimated that the cumulative authorized war and national defense program will amount to 368 billion dollars on June 30, 1946. Expenditures of 49 billion dollars during the fiscal year 1946 will have pushed cumulative expenditures to 339 billion dollars. The unexpended balances will be down to 28 billion dollars on June 30, 1946.

New authorizations for national defense and war liquidation in the fiscal year 1947.—The expenditures of 15 billion dollars for national defense and war liquidation in the fiscal year 1947 will be partly for payment of contractual obligations incurred in the past, and partly for the payment of new obligations. The unexpended balances on June 30, 1946, will be scattered among hundreds of separate appropriations. Thus, while some appropriation accounts will have unused balances, others will require additional appropriations.

It is estimated that authorizations to incur new obligations of 11,772 million dollars will be needed during the fiscal year 1947, mainly for the War and Navy Departments. Of the required authorizations, 11,365 million dollars will be in new appropriations, 400 million dollars in new contract authority, and 7 million dollars in reappropriations of unobligated balances. In addition, appropria-

tions of 825 million dollars will be needed to liquidate obligations under existing contract authorizations.

Taking into account the tentative authorizations and expenditures estimated for the fiscal year 1947, and offsets of 3 billion dollars in war commitments of Government corporations, the cumulative authorized war and national defense program on June 30, 1947, will be 376 billion dollars; total expenditures, 354 billion dollars; and unexpended balances, 22 billion dollars.

The 22 billion dollars of unexpended balances tentatively indicated as of June 30, 1947, comprise both unobligated authorizations and unliquidated obligations. Most of the unliquidated obligations result from transactions booked during the war years. A large part of the 22 billion dollars would never be spent even if not repealed, for the appropriations will lapse in due course. For example, several billion dollars of these unliquidated obligations represent unsettled inter- and intra-departmental agency accounts for war procurement. Legislation is being requested to facilitate the adjustment of some of these inter-agency accounts. Another 6 billion dollars is set aside for contract termination payments. If contract settlement costs continue in line with recent experience, it is likely that part of the 6 billion dollars will remain unspent.

On the other hand, some of the 22 billion dollars would be available for obligation and expenditure unless impounded. In certain appropriations, such as those for long-cycle procurement, considerable carry-over of unliquidated obligations into future years is to be expected and is necessary. However, substantial further rescissions can and should be made when the war liquidation program tapers off and budgetary requirements for national defense are clarified. As I have said, I shall continue to review the war au-

thorizations and from time to time recommend excess balances for repeal.

As in recent years, detailed recommendations concerning most appropriations for the national defense program are postponed until the spring. In connection with the war activities of the United States Maritime Commission and certain other agencies, however, I now make specific recommendations for the fiscal year 1947. No additional authorizations or appropriations will be necessary for the Maritime Commission since sufficient balances will be left after the above-mentioned rescissions to carry out the program now contemplated for the fiscal year 1947.

2. AFTERMATH OF WAR

Nearly one-third—11 billion dollars—of estimated Federal expenditures in the fiscal year 1947 will be for purposes that are largely inherited from the war—payments to veterans, interest on the Federal debt, and refunds of taxes.

(a) *For veterans.*

"Veterans' pensions and benefits" has become one of the largest single categories in the Federal Budget. I am recommending for this purpose total appropriations of 4,787 million dollars for the fiscal year 1947. Expenditures in the fiscal year are estimated, under present legislation, at 4,208 million dollars. These expenditures will help our veterans through their readjustment period and provide lasting care for those who were disabled.

The Congress has provided unemployment allowances for veterans during their readjustment period. Expenditure of 850 million dollars for this purpose is anticipated for the fiscal year 1947. In addition, readjustment allowances for self-employed veterans are expected to cost 340 million dollars in the fiscal year 1947.

On May 28, 1945, in asking the Congress to raise the ceiling on benefits for civilian unemployed to not less than 25 dollars a week during the immediate reconversion period, I suggested that the Congress also consider liberalizing veterans' allowances. Elsewhere in this Message I reiterate my recommendation with respect to emergency unemployment compensation. I also recommend increasing veterans' unemployment allowances from 20 dollars to 25 dollars a week. This would involve additional expenditures estimated at approximately 220 million dollars for the fiscal year.

Included in the 1947 Budget is an expenditure of 535 million dollars for veterans' education under provisions of the Servicemen's Readjustment Act. This amount includes both tuition expenses and maintenance allowances. It is expected that half a million veterans will be enrolled in our schools and colleges during the year.

The ultimate benefit which veterans receive from the loan guarantee provisions of the Servicemen's Readjustment Act depends largely on the success of our stabilization program in restraining building costs and real estate values. Under the revised procedure contained in recent amendments, the administrative workload will be minimized by the almost complete transfer of authority for approving the guarantees to private lending agencies and private appraisers designated by the Veterans Administration. This authority carries with it the responsibility for restricting the guarantees to loans on reasonably valued properties. Costs of the program, other than for administration, are estimated at 21 million dollars in the fiscal year 1947.

Pensions for veterans will require expenditures estimated at 1,748 million dollars for the fiscal year 1947. Two-thirds of this amount will be received by veterans of the

war which we have just won. This figure includes 55 million dollars of increased pensions for student-veterans in our vocational rehabilitation program. In addition, 170 million dollars will be expended in transfers to the National Service Life Insurance Fund from general and special accounts.

Expenditures under the appropriation for salaries and expenses of the Veterans Administration are estimated at 528 million dollars in the fiscal year 1947. This includes 260 million dollars for medical care and the operation of some 103,000 hospital and domiciliary beds.

A separate appropriation for hospital and domiciliary facilities, additional to the total for veterans' pensions and benefits, covers construction that will provide some 13,000 hospital beds as part of the 500-million-dollar hospital construction program already authorized by the Congress. The estimated expenditures of 130 million dollars for this purpose are classified in the Budget as part of the general public works program for the next fiscal year.

(b) For interest.

Interest payments on the public debt are estimated at 5 billion dollars in the fiscal year 1947, an increase of 250 million dollars from the revised estimate for the current fiscal year. This increase reflects chiefly payment of interest on additions to the debt this year. Assuming continuance of present interest rates, the Government's interest bill is now reaching the probable postwar level.

(c) For refunds.

An estimated total of 1,585 million dollars of refunds will be paid to individuals and corporations during the fiscal year 1947. Slightly over half of this amount, or 800 million dollars, will be accessory to the simplified pay-as-you-go method of tax col-

lection, and will be the result of overwithholding and overdeclaration of expected income. Most of the remainder will arise from loss and excess-profits credit carry-backs, recomputed amortization on war plants, and special relief from the excess-profits tax.

This category of expenditures is thus losing gradually its "aftermath-of-war" character, and by the succeeding year will reflect almost entirely the normal operation of loss carry-backs and current tax collection.

3. AGRICULTURAL PROGRAMS

The agricultural programs contemplated for the fiscal year 1947 are those which are essential for the provision of an adequate supply of food and other agricultural commodities with a fair return to American farmers. To support these objectives, expenditures by the Department of Agriculture estimated at 784 million dollars from general and special accounts will be required in the fiscal year 1947. This compares with estimated expenditures of 676 million dollars in 1946. These figures exclude expenditures by the Department of Agriculture on account of lend-lease, the United Nations Relief and Rehabilitation Administration, and other war expenditures. The expenditure for the fiscal year 1947 is composed of 553 million dollars for "aids to agriculture," 35 million dollars for general public works, and 196 million dollars for other services of the Department.

Net outlays for the price stabilization, price support, and other programs of the Commodity Credit Corporation are expected to increase from about 750 million dollars in the fiscal year 1946 to about 1,500 million dollars in 1947. Cash advances made on loans by the Farm Security Administration and the Rural Electrification Administra-

tion are expected to amount to 266 million dollars in the fiscal year 1946 and 351 million dollars in 1947; and after receipts from principal and interest are taken into account, net loan expenditures of these two agencies will amount to 120 and 209 million dollars in the two fiscal years.

To provide for the expenditures from general and special accounts, I recommend for the fiscal year 1947 appropriations of 721 million dollars (including the existing permanent appropriation of an amount equal to 30 percent of estimated annual customs receipts) and a reappropriation of 88 million dollars of prior-year balances from customs receipts. In addition there is a recommended authorization of 367.5 million dollars for borrowing from the Reconstruction Finance Corporation for the loan programs of the Farm Security Administration and the Rural Electrification Administration. It is expected that the operations of the Commodity Credit Corporation will be financed during the coming year through the 500 million dollars of lend-lease funds which the Congress has earmarked for price support purposes, a supplemental appropriation to restore impaired capital of the Corporation, and the borrowing authority of the Corporation.

Some detailed recommendations follow for major agricultural programs.

Conservation and use of land.—I am recommending that 270 million dollars be appropriated for "conservation and use of agricultural land resources"—the so-called AAA program—for the fiscal year 1947, compared with 356 million dollars in the current year. This reduction of 86 million dollars is in large part accounted for by elimination of the wartime flax production incentive project and other nonrecurring items; the proposed reduction in normal activities is less than 33 million dollars.

For the past several years, this program has consisted largely of payments to farmers for application of fertilizer and other approved soil management practices. I am convinced that farmers generally are now fully alert to the benefits, both immediate and long-term, which they derive from the practices encouraged by this program. I believe, therefore, that this subsidization should continue to be reduced.

Rural electrification.—It is proposed that the loan authorization for the Rural Electrification Administration for the fiscal year 1947 be increased from 200 million dollars to 250 million dollars. During the war period, REA was limited by the scarcity of materials and manpower. But that situation is rapidly changing, and the REA program, which was materially stepped up for the fiscal year 1946, can be increased still more. It is my belief that a feasible and practical rural electrification program should be carried forward as rapidly as possible. This will involve total loans of approximately 1,800 million dollars over the next 10 years, much of which will be repaid during that period.

Other programs.—It is recommended that the continuing forest land-acquisition program be resumed at the rate of 3 million dollars annually, which is about the minimum rate at which this program can be economically carried on. The lands involved in this program can contribute fully to the national welfare only when brought into the national forest system for protection and development.

Such programs as those of the Farm Security Administration and the Farm Credit Administration are estimated to be continued during the fiscal year 1947 at about the same level as in the fiscal year 1946. Recent action by the Congress has permitted some expansion of the school-

lunch program. I hope it will be continued and expanded. The budgets of the Federal Crop Insurance Corporation and the Federal Farm Mortgage Corporation will be transmitted in the spring under the terms of the Government Corporation Control Act.

4. TRANSPORTATION

Transportation is one of the major fields for both public and private investment. Our facilities for transportation and communication must be constantly improved to serve better the convenience of the public and to facilitate the sound growth and development of the whole economy.

Federal capital outlays for transportation facilities are expected to approximate 519 million dollars in the fiscal year 1947. State and local governments may spend 400 million dollars. Private investment, over half of it by railways, may approach 1,150 million dollars.

The Congress has already taken steps for the resumption of work on improvement of rivers and harbors and on the construction of new Federal-aid highways. Much needed work on airports can begin when the Congress enacts legislation now in conference between the two Houses.

The Federal expenditure estimates for the fiscal year 1947 include 53 million dollars for new construction in rivers, harbors, and the Panama Canal and 291 million dollars for highways and grade-crossing elimination, assuming that the States expend some 275 million dollars on the Federal-aid system. Additional expenditures for highways totaling 36 million dollars are anticipated by the Forest Service, National Park Service, and the Territory of Alaska. Civil airways and airports will involve expenditures of 35 million dollars under existing authority. Additional Federal expenditures exceeding

20 million dollars (to be matched by States and municipalities) may be made during the fiscal year 1947 under the airport legislation now in conference between the two Houses of the Congress.

The United States now controls almost two-thirds of the world's merchant shipping, most of it Government-owned, compared with little more than one-seventh of the world's tonnage in 1939. This places a heavy responsibility upon the Nation to provide for speedy and efficient world commerce as a contribution to general economic recovery.

The estimates for the United States Maritime Commission and War Shipping Administration provide for the transition of shipping operation from a war to a peace basis; the sale, chartering, or lay-up of much of the war-built fleet; and for a program of ship construction of some 84 million dollars in the fiscal year 1947 to round out the merchant fleet for peacetime use.

Federal aids, subsidies, and regulatory controls for transportation should follow the general principle of benefiting the national economy as a whole. They should seek to improve the transportation system and increase its efficiency with resulting lower rates and superior service. Differential treatment which benefits one type of transportation to the detriment of another should be avoided save when it is demonstrated clearly to be in the public interest.

5. RESOURCE DEVELOPMENT

Total capital outlays for resource development are estimated at 653 million dollars in the fiscal year 1947 as compared with 452 million dollars in 1946. These include capital expenditures by the Rural Electrification Administration and expenditures for resource development by other organiza-

tional units in the Department of Agriculture which are also mentioned above under "agricultural programs."

The reclamation and flood control projects which I am recommending for the fiscal year 1947 will involve capital outlays of approximately 319 million dollars as compared with 245 million dollars in the fiscal year 1946. These expenditures cover programs of the Corps of Engineers, the Bureau of Reclamation, the Bureau of Indian Affairs, the Department of Agriculture, and the International Boundary and Water Commission, United States and Mexico. A number of these projects are multiple-purpose projects, providing not only for reclamation and irrigation of barren land and flood control, but also for the production of power needed for industrial development of the areas.

Expenditures for power transmission and distribution facilities by the Bonneville Power Administration are expected to increase from 12 million dollars in the fiscal year 1946 to 15 million dollars in the next fiscal year. In addition, the Southwestern Power Administration will undertake a new program involving expenditures of about 16 million dollars in the fiscal year 1947. The Rural Electrification Administration will require expenditures during the current fiscal year estimated at 156 million dollars; in the fiscal year 1947, at 241 million dollars.

The TVA program includes completion of major multiple-purpose projects—navigation, flood control, and power facilities—and additions to chemical plants and related facilities. Expenditures for these capital improvement programs are estimated at 30 million dollars in the fiscal year 1946 and 39 million dollars in the fiscal year 1947.

Expenditures for construction of roads and other developmental works in the national forests, parks, and other public lands,

and for capital outlays for fish and wildlife development will increase from below 9 million dollars in the fiscal year 1946 to 24 million dollars in the fiscal year 1947.

6. SOCIAL SECURITY AND HEALTH

Benefit payments out of the Old-Age and Survivors Insurance Trust Fund during 1947 are estimated at 407 million dollars, while withdrawals by the States from the Unemployment Trust Fund for compensation payments are expected to total 1 billion dollars. These disbursements are financed out of social security contributions.

The appropriations from general and special accounts for the social security program, which cover Federal administrative expenses and grants to States for assistance programs, are estimated at 593 million dollars for the fiscal year 1947, an increase of 57 million dollars over the current year. The increase anticipates greater administrative workload and higher grants to match increasing State payments. The social security program does not include all the Federal health services under existing legislation. For the other health services classified under general government and national defense, appropriations are estimated at 102 million dollars for the fiscal year 1947.

Some expansion in peacetime medical research and other programs of the Public Health Service is provided for in the appropriation estimates for these purposes totaling approximately 87 million dollars for the fiscal year 1947 which are submitted under provisions of existing law. Part of this will be provided through the social security appropriations, the remainder through other appropriations. About 28 million dollars is recommended for maternity care and health services for children under existing

law, mainly under the emergency provision for the wives and infants of servicemen. While we should avoid duplication of maternity and child health services which will be provided through the proposed general system of prepaid medical care, legislation is needed to supplement such services. For medical education, I have recommended legislation authorizing grants-in-aid to public and nonprofit institutions. The existing sources of support for medical schools require supplementation to sustain the expansion that is needed.

Hospitals, sanitation works, and additional facilities at medical schools will be required for an adequate national health program. Legislation is now pending in the Congress to authorize grants for the construction of hospitals and health centers and grants and loans for water-pollution control. I hope the Congress will act favorably on generous authorizing legislation.

7. RESEARCH AND EDUCATION

The Budget provides for continuation and desirable expansion of the research activities that are carried on throughout the Federal establishment and through previously authorized grants to the States. Additional appropriations will be required for the proposed central Federal research agency which I recommended last September 6. That agency will coordinate existing research activities and administer funds for new research activities wherever they are needed; it will not itself conduct research. The plan contemplates expenditures through the new research agency of approximately 40 million dollars for the first year.

These amounts are small in relation to the important contribution they can make to the national income, the welfare of our

people, and the common defense. Expenditures must be limited for the time being by the capacity of research agencies to make wise use of funds. The maintenance of our position as a nation, however, will require more emphasis on research expenditures in the future than in the past.

Educational expenditures will require a significant share of the national income in the fiscal year 1947. State, local, and private expenditures for the current support of elementary, secondary, and higher education are expected to be substantially above 3 billion dollars in that year. These non-Federal expenditures will be supplemented by Federal expenditures estimated at 625 million dollars in the present Budget. Of this amount, the estimate for veterans' education, as previously mentioned, is 535 million dollars. Other amounts include 21 million dollars for the support of vocational education in public schools, 5 million dollars for the land-grant colleges, 50 million dollars for the present school-lunch and milk program, 1 million dollars for the Office of Education, and approximately 13 million dollars for various other items. In view of the major policy issues which are still under study by the Congress and the Administration, no specific amount has been determined for the Federal grants, previously recommended in this Message, which would assist the States generally in assuring more nearly equal opportunities for a good education.

Notwithstanding the urgent need for additional school and college buildings, careful planning will be required for the expenditures to be made under the proposed legislation to aid the States in providing educational facilities. A major share of the grants for the first year would be for surveys and plans.

8. INTERNATIONAL FINANCIAL PROGRAMS

I have already outlined the broad objectives of our foreign economic policy. In the present section I shall indicate the Federal outlays which the execution of these programs may require in the fiscal years 1946 and 1947.

(a) On the termination of lend-lease, the lend-lease countries were required to pay for goods in the lend-lease pipe line either in cash or by borrowing from the United States or by supplying goods and services to the United States. Credits for this purpose have already been extended to the Soviet Union, France, the Netherlands, and Belgium amounting to 675 million dollars. The settlement credit of 650 million dollars to the United Kingdom includes an amount preliminarily fixed at 118 million dollars which represents the excess of purchases by the United Kingdom from the pipe line over goods and services supplied by the United Kingdom to the United States since VJ-day and the balance of various claims by one government against the other.

Credits are also being negotiated with lend-lease countries to finance the disposition of lend-lease inventories and installations and property declared to be surplus. For instance, 532 million dollars of the settlement credit to the United Kingdom is for this purpose. These credits will involve no new expenditures by this Government, since they merely provide for deferred repayment by other governments for goods and services which have been financed from war appropriations.

(b) Expenditures from the appropriations to United Nations Relief and Rehabilitation Administration, which were discussed under war expenditures above, are estimated to be 1.3 billion dollars in the fiscal year

1946 and 1.2 billion dollars in the fiscal year 1947.

(c) To assist other countries in the restoration of their economies the Export-Import Bank has already negotiated loans in the fiscal year 1946 amounting in total to about 1,010 million dollars and an additional 195 million dollars will probably be committed shortly. The Bank is also granting loans to carry out its original purpose of directly expanding the foreign trade of the United States. In this connection the Bank has established a fund of 100 million dollars to finance the export of cotton from the United States. The Export-Import Bank has thus loaned or committed approximately 1,300 million dollars during the current fiscal year and it is expected that demands on its resources will increase in the last 6 months of the fiscal year 1946. Requests for loans are constantly being received by the Bank from countries desiring to secure goods and services in this country for the reconstruction or development of their economies. On July 31, 1945, the lending authority of the Export-Import Bank was increased to a total of 3,500 million dollars. I anticipate that during the period covered by this Budget the Bank will reach this limit. The bulk of the expenditures from the loans already granted will fall in the fiscal year 1946 while the bulk of the expenditures from loans yet to be negotiated will fall in the fiscal year 1947. In view of the urgent need for the Bank's credit, I may find it necessary to request a further increase in its lending authority at a later date.

(d) The proposed line of credit of 3,750 million dollars to the United Kingdom will be available up to the end of 1951 and will be used to assist the United Kingdom in financing the deficit in its balance of payments during the transition period. The

rate at which the United Kingdom will draw on the credit will depend on the rapidity with which it can reconvert its economy and adapt its trade to the postwar world. The anticipated rate of expenditure is likely to be heaviest during the next 2 years.

(e) Since the Bretton Woods Agreements have now been approved by the required number of countries, both the International Monetary Fund and the International Bank for Reconstruction and Development will commence operations during 1946. The organization of these institutions will undoubtedly take some time, and it is unlikely that their operations will reach any appreciable scale before the beginning of the fiscal year 1947.

Of the 2,750 million dollars required for the Fund, 1,800 million dollars will be provided in cash or notes from the exchange stabilization fund established under the Gold Reserve Act of 1934. The remaining 950 million dollars will be paid initially in the form of non-interest-bearing notes issued by the Secretary of the Treasury. It is not anticipated that the Fund will require in cash any of the 950 million dollars during the fiscal years 1946 and 1947. Consequently, no cash withdrawals from the Treasury will be required in connection with the Fund in these years.

The subscription to the Bank amounts to 3,175 million dollars. Of this total, 2 percent must be paid immediately and the Bank is required to call a further 8 percent of the subscription during its first year of operations. The balance of the subscription is payable when required by the Bank either for direct lending or to make good its guarantees. It is likely that the United States will be required to pay little if any more than the initial 10 percent before the end of the fiscal year 1947.

I anticipate that net expenditures of the Export-Import Bank and expenditures arising from the British credit and the Bretton Woods Agreements will amount to 2,614 million dollars, including the noncash item of 950 million dollars for the Fund, in the fiscal year 1946, and 2,754 million dollars in the fiscal year 1947.

9. GENERAL GOVERNMENT

The responsibilities of the Government, in both domestic and international affairs, have increased greatly in the past decade. Consequently, the Government is larger than it was before the war, and its general operating costs are higher. We cannot shrink the Government to prewar dimensions unless we slough off these new responsibilities—and we cannot do that without paying an excessive price in terms of our national welfare. We can, however, enhance its operating efficiency through improved organization. I expect to make such improvements under the authority of the Reorganization Act of 1945.

The appropriations which I am recommending for general government for the fiscal year 1947 are 1,604 million dollars under existing legislation. This is an increase of 458 million dollars over the total of enacted appropriations for the current fiscal year, but a substantial part of this increase is due to the fact that the appropriations for the fiscal year 1946 were made prior to the general increase of employees' salaries last July 1, for which allowance is made in the anticipated supplemental appropriations for 1946. The recommended total for 1947 for general government, like the estimates for national defense and other specific programs, does not allow for the further salary increases for Government employees which, I hope, will be authorized by pending legis-

lation, but the tentative lump-sum estimates under proposed legislation contemplate that such salary increases will be effective almost at once.

Expenditures for general government in the fiscal year 1947 are expected to continue the slowly rising trend which began in 1943. This category includes a great variety of items—not merely the overhead costs of the Government. It includes all the expenditures of the Cabinet departments, other than for national defense, aids to agriculture, general public works, and the social security program. It includes also expenditures of the legislative branch, the Judiciary, and many of the independent agencies of the executive branch. Consequently, the estimated increase in 1947 in the total of general government expenditures reflects a variety of influences.

Now included in general government are certain activities formerly classified under national defense. Some of these, such as certain functions of the former Foreign Economic Administration and the War Manpower Commission, are still needed during the period of reconversion; others are in the process of liquidation. A few wartime activities, for example, the international information and foreign intelligence services and some of the wartime programs for controlling disease and crime, have become part of our regular government establishment. Expenditures for these former wartime functions explain about 40 percent of the increase in expenditures for general government.

Other increases are for civil aeronautics promotion, the business and manufacturing censuses, and other expanded business services of the Department of Commerce which have been referred to above; the Forest and Soil Conservation Services and other activities of the Department of Agriculture; certain conservation activities of the De-

partment of the Interior; and the collection of internal revenue in the Treasury Department.

The necessity for reestablishing postal services curtailed during the war and advances in the rates of pay for postal employees have increased substantially the estimated expenditures for postal service for both the current and the next fiscal year. It is not expected that this increase will cause expenditures to exceed postal revenues in either year, although an excess of expenditures may occur in the fiscal year 1947 if salaries are increased further.

Expenditures for our share of the administrative budgets of the United Nations and other permanent international bodies will increase sharply in the fiscal year 1947, yet will remain a small part of our total Budget. The budget for the United Nations has not yet been determined; an estimate for our contribution will be submitted later. Our contributions to the Food and Agriculture Organization, the International Labor Office, the Pan American Union, and other similar international agencies will aggregate about 3 million dollars for the fiscal year 1947. The administrative expenses of the International Monetary Fund and the International Bank will be met from their general funds.

We have won a great war—we, the nations of plain people who hate war. In the test of that war we found a strength of unity that brought us through—a strength that crushed the power of those who sought by force to deny our faith in the dignity of man.

During this trial the voices of disunity among us were silent or were subdued to an occasional whine that warned us that they were still among us. Those voices are beginning to cry aloud again. We must learn constantly to turn deaf ears to them. They are voices which foster fear and suspicion and intolerance and hate. They seek to destroy our harmony, our understanding of each other, our American tradition of "live and let live." They have become busy again, trying to set race against race, creed against creed, farmer against city dweller, worker against employer, people against their own governments. They seek only to do us mischief. They must not prevail.

It should be impossible for any man to contemplate without a sense of personal humility the tremendous events of the 12 months since the last annual Message, the great tasks that confront us, the new and huge problems of the coming months and years. Yet these very things justify the deepest confidence in the future of this Nation of free men and women.

The plain people of this country found the courage and the strength, the self-discipline, and the mutual respect to fight and to win, with the help of our allies, under God. I doubt if the tasks of the future are more difficult. But if they are, then I say that our strength and our knowledge and our understanding will be equal to those tasks.

HARRY S. TRUMAN

NOTE: The message was transmitted to the Senate and to the House of Representatives on January 21.

As printed above, references to tables appearing in the budget document have been omitted.

19 Directive on Coordination of Foreign Intelligence Activities.

January 22, 1946

To the Secretary of State, the Secretary of War, and the Secretary of the Navy:

1. It is my desire, and I hereby direct, that all Federal foreign intelligence activities be planned, developed and coordinated so as to assure the most effective accomplishment of the intelligence mission related to the national security. I hereby designate you, together with another person to be named by me as my personal representative, as the National Intelligence Authority to accomplish this purpose.

2. Within the limits of available appropriations, you shall each from time to time assign persons and facilities from your respective Departments, which persons shall collectively form a Central Intelligence Group and shall, under the direction of a Director of Central Intelligence, assist the National Intelligence Authority. The Director of Central Intelligence shall be designated by me, shall be responsible to the National Intelligence Authority, and shall sit as a non-voting member thereof.

3. Subject to the existing law, and to the direction and control of the National Intelligence Authority, the Director of Central Intelligence shall:

a. Accomplish the correlation and evaluation of intelligence relating to the national security, and the appropriate dissemination within the Government of the resulting strategic and national policy intelligence. In so doing, full use shall be made of the staff and facilities of the intelligence agencies of your Departments.

b. Plan for the coordination of such of the activities of the intelligence agencies of your Departments as relate to the national security and recommend to the National

Intelligence Authority the establishment of such over-all policies and objectives as will assure the most effective accomplishment of the national intelligence mission.

c. Perform, for the benefit of said intelligence agencies, such services of common concern as the National Intelligence Authority determines can be more efficiently accomplished centrally.

d. Perform such other functions and duties related to intelligence affecting the national security as the President and the National Intelligence Authority may from time to time direct.

4. No police, law enforcement or internal security functions shall be exercised under this directive.

5. Such intelligence received by the intelligence agencies of your Departments as may be designated by the National Intelligence Authority shall be freely available to the Director of Central Intelligence for correlation, evaluation or dissemination. To the extent approved by the National Intelligence Authority, the operations of said intelligence agencies shall be open to inspection by the Director of Central Intelligence in connection with planning functions.

6. The existing intelligence agencies of your Departments shall continue to collect, evaluate, correlate and disseminate departmental intelligence.

7. The Director of Central Intelligence shall be advised by an Intelligence Advisory Board consisting of the heads (or their representatives) of the principal military and civilian intelligence agencies of the Government having functions related to national security, as determined by the National Intelligence Authority.

8. Within the scope of existing law and Presidential directives, other departments and agencies of the executive branch of the Federal Government shall furnish such intelligence information relating to the national security as is in their possession, and as the Director of Central Intelligence may from time to time request pursuant to regulations of the National Intelligence Authority.

9. Nothing herein shall be construed to

authorize the making of investigations inside the continental limits of the United States and its possessions, except as provided by law and Presidential directives.

10. In the conduct of their activities the National Intelligence Authority and the Director of Central Intelligence shall be responsible for fully protecting intelligence sources and methods.

Sincerely yours,

HARRY S. TRUMAN

20 Letter to the Chairman and Members of the President's Steel Fact-Finding Board. *January 22, 1946*

Dear Mr. Feinsinger:

I have received the letter dated January 19, 1946 signed by yourself and the other Members of the Steel Fact-Finding Board, Associate Justice Roger I. McDonough and Associate Justice James M. Douglas, in which you review the activities of the Board to date, and request instructions as to your further procedure.

For the present, I suggest that you continue your study of governmental data, and that you remain available for further consultation.

Your sincere desire to assist in every way possible in securing an early termination of this dispute is highly appreciated.

Very sincerely yours,

HARRY S. TRUMAN

[Honorable Nathan P. Feinsinger, Chairman, Steel Fact-Finding Board, Department of Labor, Washington, D.C.]

NOTE: The letter from the Chairman and members of the Steel Fact-Finding Board was released with the President's reply.

21 The President's News Conference of *January 24, 1946*

THE PRESIDENT. I want to read a couple of things to you, and then I will stand for questions as usual.

[1.] "Judge Samuel I. Rosenman is leaving the White House officially on February 1st, to return to private life in New York City. I make this announcement with deep regret."

You will receive copies of this. It is

mimeographed, so you don't have to take it down now.

[*Continuing reading*]: "Judge Rosenman sought to resign in a letter to me dated April 14, 1945. I told him I could not let him go, and he patriotically accepted my decision. In justice to him, I can no longer try to dissuade him from leaving.

"Judge Rosenman's service to two Presi-

dents, and to his country, has been as able and as devoted as it has been self-effacing. I wrote him June 1st last, 'Some day, when accurate history is written, you will receive the credit which is your due.' To that expression I now add that the months since then have materially swollen the account.

"The work for which Judge Rosenman resigned from the Supreme Court of the State of New York in October 1943, at the request of President Roosevelt, was essentially a war job. Although he had been rendering regular part-time war service in Washington before that, the needs of the war eventually required that his full time be spent in the White House. Now that our enemies have surrendered and he has resigned, I have decided that this wartime emergency post should not be filled. Accordingly, no successor will be appointed to the place vacated by Judge Rosenman as Special Counsel to the President.

"Judge Rosenman, however, has agreed to come to Washington from time to time, without compensation, to continue to render whatever assistance and advice to me he can. I expect to call on him frequently for help, as did President Roosevelt during his tenure of office."

Where is the Judge? I will give this to him.

Judge Rosenman: Thank you very much, Mr. President.

[2.] THE PRESIDENT. Now, there has been some conversation, in fact quite a tempest in a teapot, over an addition to the office space of the President of the United States. [*Laughter*]

I want to clarify the situation, if possible, and then if some of our good friends want to come down and chain themselves to a bush or a shrub out here, that will be entirely satisfactory, just as the ladies did when they were building the Jefferson Memorial.

Some ladies chained themselves to some Japanese cherry trees, you remember. [*Laughter*]

[*Reading, not literally*]: "The new office addition is an extension of 145 feet—145 feet long and 50 feet wide, extending along the West Executive Avenue, south of the existing Executive Office. It will not be visible from Pennsylvania Avenue, and very little, if any, from the White House. The auditorium will be south of the Executive Office and east of the new addition, and it will be 51 feet by 54 feet in size.

"This new addition will not be visible to the public view, except from the air and from the Executive Avenue—[*indicating*]—out here where it faces.

"The present actual office space of the President is 17,566 square feet. The new office space will be 13,672 square feet.

"The White House will not be changed or altered in any manner, interior or exterior."

"To the President of the United States:

"The Members of the Commission on Fine Arts were delighted to review with you on November 30 preliminary plans prepared by Mr. L. S. Winslow for additions to the West Wing of the White House, necessary to provide additional space for the more efficient functioning of the Executive Offices of the President."

A great many of the clerks have to work underground now, and I am not going to allow that to continue. And I am also trying to get business offices out of the White House so that the President can have a residence, which is what the White House is intended to be.

[*Continuing reading*]: "The Commission are pleased to advise that they find the plans generally satisfactory, and approve them, subject to further study of certain details of the design by the architect. Mr.

Winslow has agreed to confer with the Commission, from time to time, as the more detailed plans are developed. The Commission were pleased to note that the further extension of the West Wing to the South will not seriously encroach upon the grounds of the White House, in fact that the nature of the proposed extension of the West Wing will serve to provide the grounds near the House with greater seclusion than has been possible heretofore. The Commission are especially pleased to be called upon to advise in this matter, with the view toward retaining in this new structure the dignity and the charm which obtains in the case of the White House in the existing Wings in the East and the West."

That is signed by the Chairman of the Commission.

Now, under the date of December 12, I wrote a letter to the President of the Senate, and sent a letter to the Director of the Budget, containing an estimate for supplemental appropriation for an addition to the Executive Office for alterations, improvements, and furnishings, and for improvement of the grounds, to be expended as the President may determine.

Now the White House has had no improvements, no paint or anything else done to it during the wartime; in fact, very little repair has been made to the White House in the last 16 years, due to things that were much more important to be done. I think the White House is the finest residence in the United States, and I want to keep it that way. There are certain improvements that have been pending by the Fine Arts Commission and by the National Park and Planning Commission to the grounds which are necessary to be made.

This additional office space is absolutely essential to the President. I don't want to have to do what Dolley Madison was sup-

posed to have done. They say she used to hang her washing in the East Room on rainy days. [*Laughter*]

Q. That was Abigail Adams.

THE PRESIDENT. I may have to move three clerks in there, if I can't find —

Q. Abigail Adams.

THE PRESIDENT. Dolley Madison, too. Abigail Adams or Dolley Madison did—both did it. So they say. That is just the story around here.

Now, I have no further announcements to make, but I thought that ought to be made entirely clear to you. I want to make it plain that if anybody wants to chain himself to a bush out here, he is welcome. [*Laughter*]

Q. Mr. President, that is an appropriation by Congress, is it not?

THE PRESIDENT. Yes. Through the regular channels.

Q. The story that it can be stopped by Congress is a little bit of hokey, I should imagine?

THE PRESIDENT. Well, I don't think there are any Congressmen interested in—in the thing who are familiar with it, but they can get headlines in Washington papers by talking about it.

Q. Congress had a chance to—

THE PRESIDENT. Congress passed on it. Yes, everything is regular, and has been followed in the regular way. And the White House will not be hurt.

[3.] Q. Mr. President, what do you—what is your reaction to the suggestion last night by Benjamin Fairless, that you call a conference of management executives involved in current strikes?

THE PRESIDENT. Well, I have had conferences with management executives interested in current strikes. I am perfectly willing to have other conferences, but I don't make appointments over the radio, or through the press. They can come in the

regular way, and the door will be open. Now the best thing that Mr. Fairless can do now is to send me word, "I accept."

Q. In that connection, three Senators are preparing a resolution—Senators Tunnell, Morse, and Kilgore—for an investigation of management in the situation, apparently looking to the proposal advanced by Mr. Murray that there might have been a business conspiracy. What do you think of such a resolution?

THE PRESIDENT. I don't know anything about that situation, and I knew nothing about the resolution. That is a matter for the Congress to decide itself.

Q. Have you received any evidence that might support the Murray thesis that there was conspiracy by some big business men against the unions, in this situation?

THE PRESIDENT. No, I haven't. I think this is really a tryout of power. I personally think there is too much power on each side, and I think it is necessary that the Government assert the fact that *it* is the power of the people.

[4.] Q. Mr. President, since your last press conference, there has been quite a bit of discussion in and out of Congress on the trusteeship issue. I asked Mr. Ross to give you some questions.

THE PRESIDENT. He gave me those questions, and they are detail questions, which I cannot answer now, because it requires negotiation with our allies and negotiation through the United Nations to accomplish the necessary purpose which we have in view.

I can say definitely, however, that the national defense necessities of the United States will not be sacrificed.

[5.] Q. Mr. President, Mr. Fairless also said that a high official of the Government told him that if he would accept, that a rise of \$4 a ton would be granted. Can you

explain what he meant by that?

THE PRESIDENT. No, I can't. I am not the high official, and I talked to him. [Laughter]

Q. Mr. President, to use your own words, what are the plans of the Government to assert itself in the steel strike?

THE PRESIDENT. We are doing everything we possibly can on the subject, and have—I think I have done everything I possibly could to get a settlement of the steel strike. As I told you a while ago, I think there is a desire on each side to make known which is the power. Now I don't think that is in the public interest at all. I think it is in the public interest for the workers to go back to work, and I think it is in the public interest for big steel to settle this strike on the basis which I suggested to them.

Q. Mr. President, are you suggesting that the workers go back to work without an increase?

THE PRESIDENT. I am suggesting that the workers go back to work on the increase which I suggested.

Q. Mr. President, you said that it was time—indicated that it was time the Government assert the fact that it is the power of the people, and you also said that you have done everything you can—

THE PRESIDENT. I have. I have asked Congress for certain improvements in the situation, which the Congress has not seen fit to give me. You see, we have divided powers in the Government, which is a good thing. It requires diffused powers. I don't like concentration of power anywhere, so it takes the action of the Congress and the President and the courts finally to implement our Government. And I think it is the greatest Government in the world. I am trying to make it that, right now.

Q. Mr. President, if the strike is prolonged, will you seize the mills?

THE PRESIDENT. I don't think it's practical to seize the steel mills at the present time. I don't say that I won't do it eventually.

Q. Mr. President, how can the workers go back to work if the Corporation won't give them the increase?

THE PRESIDENT. They can't. That is what I am saying to you.

[6.] Q. Mr. President, in the case of the meat industry, we understand that the men are going back to work at the old wage?

THE PRESIDENT. The men, I am sure, will obey the law. The law requires them to go back to work at the old wage.

[7.] Q. If you seized the steel plants, they would have to go back—

THE PRESIDENT. That is correct.

Q. —after the seizure?

THE PRESIDENT. That is correct.

[8.] Q. Mr. President, now that Mayor La Guardia is a radio commentator, has he submitted his resignation as Chairman of the Canadian-American Defense Board?

THE PRESIDENT. I haven't received it as yet. I don't think I have. I have a drawer full of them. It may be among them. I haven't seen it.

Q. Mr. La Guardia is coming in today. Will that be discussed?

THE PRESIDENT. It will not. Mr. La Guardia is going as the Special Representative of the President of the United States to the inauguration of the President of Brazil. That is the subject he is going to talk to me about.

[9.] Q. Mr. President, Phil Murray yesterday sent a letter to Secretary Vinson, outlining very large rebates from taxes to corporations, including steel companies. Have you gone into that?

THE PRESIDENT. Yes, I have.

Q. Is there any reply to it?

THE PRESIDENT. None whatever. I didn't

go into Mr. Murray's—I didn't know anything about Mr. Murray's letter, because I had that information on my own initiative, when I was trying to settle this thing. I know all about it, however, but I haven't seen Mr. Murray's letter. I know what the situation is.

Q. Anything to be done about it—any suggestions?

THE PRESIDENT. No. I have no suggestions to make.

Q. Legislation?

THE PRESIDENT. I made my suggestions to Mr. Fairless and Mr. Murray.

[10.] Q. Mr. President, would you care to make any observations on the new National Intelligence Authority?

THE PRESIDENT. Yes. I think it is a practical program, and that it will work for the best interests of the Government. It was a necessary arrangement, in order to have all the information available for all the people who need it in implementing foreign policy. It combines the intelligence services of the State, War, Navy, and the President, in a manner so that the information will be available to all four for the transaction of Government business.

[11.] Q. Mr. President, is Hap Arnold quitting, and when?

THE PRESIDENT. He was making this tour of South America prior to his retirement. He expected to retire as soon as he returned.

Q. That will be about February 15?

THE PRESIDENT. Yes, somewhere between the 1st and the 10th of February. But I think he is coming home ahead of schedule, because he is—he hasn't been feeling very well.

[12.] Q. Is General Spaatz [*pronouncing it Spats*] going to take his place?

THE PRESIDENT. General Spaatz [*pronouncing it Spahts*]—

Q. Spaatz [*Spahts*] it is. [*Laughter*]

THE PRESIDENT. —will take his place.

[13.] Q. Mr. President, going back to that Intelligence Authority for a minute, is that a revival of the OFF in general?

THE PRESIDENT. No, it is not. It isn't. It isn't.

Q. Mr. President, do you suppose, if we had such a setup back in 1940 or 1941, that there would not have been a Pearl Harbor?

THE PRESIDENT. I can't say that it was a—contributing greatly towards its not taking place. I can't say whether there would have been a Pearl Harbor or not. You can make any "if" meet any situation.

[14.] Q. May I revert to the steel strike?

THE PRESIDENT. Certainly—certainly.

Q. There is an organization known as nonbasic steel producers headed up by a man named Evans—he heads a steel shop in Detroit—probably everybody's got it—they run 700 secondary plants or nonbasic plants, and they have this CIO union contract. In none of them is there any dispute with the men on wages, but they are all out.

THE PRESIDENT. They ought to go back to work. They ought to go back to work. If there is no dispute, they ought to go back to work. We are trying to get everybody to work, so as to make this production work. Everybody that can, ought to go back. I have been preaching that ever since August 18.

Q. Mr. President, do you think, if the steel strike is settled, that the General Motors strike will fall in line?

THE PRESIDENT. I can't say whether it would or not, but that is—it is logical to conclude that that might happen.

Q. Mr. President, do you plan to recommend any further legislation to labor such as beyond the factfinding, if the strikes continue?

THE PRESIDENT. No. I made that recom-

mendation back December 3d, hoping to avert some of these things.

[15.] Q. Mr. President, if we could return to the trusteeship question again, isn't the veto of the big powers significant in connection with the trusteeship question?

THE PRESIDENT. I think it will be, yes.

[16.] Q. Mr. President, have Republicans suggested to you that there should be two Republicans on the Maritime Commission?

THE PRESIDENT. No, they haven't; but that probably will be the case. I just appointed two Republicans day before yesterday.

[17.] Q. Mr. President, from your experience in the Senate, have you any suggestions as to how the Senate can solve this problem of filibustering on the FEPC? [Laughter]

THE PRESIDENT. For your information, I have been through several filibusters, and that is a matter that the Senate itself must settle without outside interference, especially from the President. [More laughter]

Q. Mr. President, have you ever taken a position on cloture?

THE PRESIDENT. Yes. Well, all you have to do is to read the Record down there. I was always for cloture. No secret.

[18.] Q. Mr. President, is the Anglo credit message going up shortly?

THE PRESIDENT. Yes. Just as soon as we get it prepared, it will go up.

[19.] Q. Mr. President, the morning papers report the Government has \$1 billion worth of steel plants of its own which are now strike-bound. Why isn't the Government operating them?

THE PRESIDENT. They are integrations of other plants, and principally—except the one at Provo, Utah. That one is a complete plant by itself, and we have under consideration the idea of operating it.

[20.] Q. Mr. President, in connection with the new administration starting in office, will Brazil and the United States continue its good neighbor policy?

THE PRESIDENT. Certainly. Brazil is our friend, and we are the friends of Brazil, and every other South American country—

Q. [*Interposing loudly*] *Thank you, Mr.*

President! [*Laughter*]

THE PRESIDENT. —that will let us be friends with them. [*More laughter*]

Q. I was going to have a question!

THE PRESIDENT. It's too late now!

NOTE: President Truman's forty-fifth news conference was held in his office at the White House at 10:30 a.m. on Thursday, January 24, 1946.

22 Citation Accompanying Medal for Merit Presented to Samuel I. Rosenman. *January 24, 1946*

CITATION TO ACCOMPANY THE AWARD OF THE MEDAL FOR MERIT TO SAMUEL I. ROSENMAN

SAMUEL I. ROSENMAN, for exceptionally meritorious conduct in the performance of outstanding services to the President of the United States and his country. As an unofficial adviser to the late President Roosevelt, he gave freely of his time and many talents, coming to Washington whenever called by the President. During the critical war years, he came to Washington, at a great personal sacrifice, to become Special Counsel to the President, the first to occupy that important position. In order so to serve, he resigned as Justice of the Supreme Court of the State of New York. Through his great talents, his vast experience as a lawyer, legislator, and judge, and his ability to organize and dispatch work, he was of inestimable service to the President and the country in carrying to a successful and speedy conclusion World War II. He rendered sound advice on many matters of national and international policy, legislation and government administration and lifted from the shoulders of the President many

vexatious problems, thus lessening materially the burdens of the Chief Executive and Commander in Chief, and permitting him to give his attention to more important problems. Through his assistance in the reorganization of many of the Executive Departments, and agencies of the Government as required by war needs, the business of government was carried on with greater effectiveness. He served with distinction not only in this country, but also abroad, where he represented the President in matters of great international importance. After the untimely death of President Roosevelt, he continued as Special Counsel to President Truman and has rendered great assistance to him in the initial stages of the reconversion period. Justice Rosenman brought to his office not only high professional attainments, but a marked devotion to duty, great perseverance, outstanding administrative ability, and a deep sense of public service.

HARRY S. TRUMAN

NOTE: The presentation was made by the President in a ceremony at the White House at 11:30 a.m.

23 Directive Concerning the Shipment of Wheat and Coal to Liberated Countries. *January 25, 1946*

To the Secretary of State, the Secretary of Agriculture, the Secretary of War, the Secretary of the Navy, the Secretary of Labor, the Administrator of the War Shipping Administration, and the Director of the Office of Defense Transportation:

I have become increasingly concerned over the shortages of vitally needed supplies to liberated countries. I am particularly alarmed at what now appears to be a world-wide shortage of wheat. I am informed that many of the countries of Europe now possess less wheat than is necessary to maintain distribution, even though their bread ration is down to a starvation level.

The problem of supplying the destitute people of the world with this vital food rests mainly on the shoulders of the United States, Canada, Australia and Argentina. I am informed that estimated shipments through the first six months of 1946 will be at least 5 million tons short of the requirements of the deficit areas. In view of this situation, this Government is recommending that each of the supplying countries accept its proportionate share of the responsibility in meeting the urgent requirements of the liberated countries on an equitable basis. Furthermore, this Government recommends that each of the importing countries procure from its own internal sources the maximum quantity of wheat, and make the best possible use of existing stocks.

Upon my return from the Potsdam con-

ference I stated: "If we let Europe go cold and hungry, we may lose some of the foundations of order on which the hope for world-wide peace must rest. We must help to the limits of our strength, and we will."

I should like to emphasize the last sentence of that statement and request that you give the personal attention to this problem which the seriousness of the situation demands.

Everything possible must be done to provide the necessary handling, inland transportation, port facilities, and ocean transportation required to move all the wheat and flour which can be provided. We must reduce to a minimum the quantity of wheat used for non-food purposes. Also, all other efforts must be made to increase wheat for food and for this purpose the possibility of increasing the extraction ratio in milling should be explored.

I have asked Mr. Snyder to coordinate all of the movement activities in this country to make certain that we attain maximum shipments of wheat as well as coal to liberated countries. Mr. Snyder has directed the establishment of a Movement Coordinating Committee and it is my understanding that your Department is represented on this Committee. I have also asked him to keep me fully informed of the progress being made and to report directly any major difficulties which are not readily adjusted by his action.

HARRY S. TRUMAN

24 Statement by the President Announcing Agreement To Arbitrate the Railway Labor Dispute. *January 26, 1946*

I HAVE just received a telegram from the National Mediation Board, reporting on the conclusion of mediation proceedings in Chicago. A wage dispute between all the 134 principal railroads of the nation and the railroad labor unions had been in process of mediation for the past three weeks.

The telegram informs me that an agreement to submit the dispute to voluntary arbitration in accordance with the Railway Labor Act has just been concluded between the railroads and eighteen of the twenty

railroad labor unions. About 1,300,000 employees are covered by the agreement. As the Mediation Board pointed out, "this is another demonstration that collective bargaining is still functioning in this industry that has operated under the Railway Labor Act for the past twenty years."

I am highly gratified at this report from the National Mediation Board and congratulate the Board and the parties concerned on their fine accomplishment.

25 Special Message to the Congress Transmitting Financial Agreement With the United Kingdom. *January 30, 1946*

To the Congress of the United States:

The establishment of a permanent state of peace and prosperity is not a simple matter. The creation and maintenance of conditions under which nations can be prosperous and remain peaceful involves a series of highly complex and difficult problems. If we are to reach this greatly desired goal, we must be prepared at all times to face the issues that will constantly present themselves and we must be determined to solve them. If peace is to be permanent, we must never relax our efforts to make it so.

In his message to the Congress recommending the approval of the Bretton Woods Agreements, President Roosevelt called these proposals "the cornerstone for international economic cooperation." By enacting the Bretton Woods Agreements Act, the 79th Congress laid this cornerstone for the construction of an orderly economic peace. The Congress took many other steps during the same session which enlarged the struc-

ture, and its achievements in this field are just cause for pride. Among the most important of these other steps were the ratification and implementation of the treaty establishing the United Nations Organization, the enactment of legislation to support the United Nations Food and Agriculture Organization and to carry on the operations of the United Nations Relief and Rehabilitation Administration, the extension in a broader form of the Reciprocal Trade Agreements Act, and the expansion of the Export-Import Bank. These steps will take us a long way on the road to world-wide security and prosperity. They should not make us blind, however, to the job that has not been done—to the work that lies ahead.

In approving the establishment of the International Monetary Fund and the International Bank for Reconstruction and Development, the Congress specifically expressed its belief that additional measures

for international economic cooperation would be necessary to render most effective the operations of the Fund and Bank. In the Bretton Woods Agreements Act the Congress declared it to be the policy of the United States to seek to bring about further international agreement and cooperation along these lines.

The International Monetary Fund Agreement was drafted and the Bretton Woods Agreements Act was enacted during the war. Both recognized that the financial condition of some countries resulting from the war might make it impossible for them to apply at once the fundamental rule of non-discrimination in their monetary and financial transactions. Therefore, provision was made for a transition period which might postpone as long as five years the complete application of this fundamental rule.

Now in time of peace as we rapidly proceed with the organization of the International Monetary Fund we find that the fears which were responsible for this period of grace are verified by the facts. The most important of these facts is that the United Kingdom as a result of the war must continue for a long period many of its emergency wartime financial controls unless it obtains additional working capital. It is apparent that, in the case of a principal member of the International Monetary Fund, we can ill afford to wait for the period permitted by the Bretton Woods Agreements for the removal of these hindrances to the financial and commercial relationships between nations. Now is the time to establish postwar monetary and financial policies of the United Nations. Now is the time to take action to enable the United Kingdom to move with us toward the prompt abolition of these restrictions.

For these reasons, the next order of international business before the Congress should be our financial relations with the United Kingdom. The problems involved, which are severe but not insoluble, are direct consequences of the war. They are matters of great urgency and I believe that the Financial Agreement which I am transmitting herewith furnishes a real basis for their solution. It is my earnest hope that the Congress will implement the Financial Agreement as speedily as is consistent with careful legislative consideration.

It is not too much to say that the Agreement now transmitted will set the course of American and British economic relations for many years to come. In so doing it will have a decisive influence on the international trade of the whole world. Those who represented the United States in these discussions and those who represented the United Kingdom were fully aware of the fundamental nature of the problems before them. After long and careful consideration they agreed upon the arrangements which in my opinion will provide a solid foundation for the successful conduct of our economic relations with each other and with the world.

The Financial Agreement will by its terms come into operation only after the Congress has made available the funds necessary to extend to the United Kingdom the line of credit of \$3.75 billion in accordance with the terms set forth in the Agreement. Britain needs this credit and she needs it now. It will assist her to meet the expected deficit in her balance of payments during the next six years. It will enable her to buy from the world the supplies of food and raw materials which are essential to the life and work of the British people. At the same time it will keep open a market for those surpluses of the United States which are customarily

exported to the United Kingdom. These are the important short-term purposes of the credit.

But the Financial Agreement is much more than a credit. Let me repeat, its most important purpose from our point of view is to cause the removal of emergency controls exercised by the United Kingdom over its international transactions far more speedily than is required by the Bretton Woods Agreements. The Financial Agreement will enable the United Kingdom, through the prompt relaxation of exchange restrictions and discriminations, to move side by side with the United States toward the common goal of expanded world trade which means expanded production, consumption and employment and rising standards of living everywhere.

The line of credit which will be extended to the United Kingdom under the Agreement may be drawn upon until the end of 1951. At that time the United Kingdom will be obligated to begin repayment of the principal with interest and those payments will continue over a period of 50 years. These terms are neither unusual nor difficult to understand. There is one new concept, however, embodied in the terms of the credit. We have recognized that conditions may exist temporarily during such a long period of time which would make the payment of interest on such a large amount difficult if not impossible. Accordingly, provision has been made for the waiver of interest by the United States Government after a certification by the International Monetary Fund as to the facts regarding the balance of payments position of the United Kingdom. It is not to our advantage to press for payment of interest when payment is impossible and thus force default and a crumbling of international economic relations.

The financial assistance which the United Kingdom would receive under the Agreement has made it possible for the two governments to agree on a specific course of action which in a short period of time will result in the removal of emergency controls over foreign exchange and discriminatory import restrictions and the reestablishment of peacetime practices designed to promote the recovery of world trade. Britain has agreed to abolish the so-called "sterling area dollar pool." She has agreed to give up most of her rights during the transition period provided for in the International Monetary Fund Agreement and thus to abandon controls over foreign exchange which she would otherwise be permitted by the terms of that Agreement to continue for a considerable period of time. In addition to the direct benefits which will flow from this stimulus to Anglo-American trade there will be the added benefits derived from the ability of other nations to relax their restrictions once the United Kingdom has led the way.

Another troublesome financial problem which has been fully and frankly discussed by the two nations is that of the sterling liabilities of Great Britain which have resulted from her large expenditures abroad during the war. In the Financial Agreement the British Government has undertaken to adjust and settle these obligations out of resources other than the American credit and has outlined its intentions with respect to their settlement. Our concern in this connection is two-fold. In the first place we want other countries which are in a position to do so to grant assistance to the United Kingdom within their means. Those which hold large sterling balances can do so by scaling them down. In the second place we want to be certain that the liquidation of these balances will not dis-

criminate against American trade. The Financial Agreement contains a specific undertaking by the Government of the United Kingdom that no such discrimination shall result from these settlements.

The Financial Agreement also makes it possible for the United Kingdom to give wholehearted support to the Proposals for Expansion of World Trade and Employment which the United States has recently put forward as a basis for international discussions by the United Nations. In the Joint Statement on Commercial Policy published at the same time as the Financial Agreement, the United Kingdom has undertaken to support these Proposals and to use its best endeavors in cooperation with the United States to bring to a successful conclusion international discussions based upon them.

The implementation of the Financial Agreement will be a great contribution to the establishment of a permanent state of

peace and prosperity. We are all aware of the dangers inherent in unchecked economic rivalry and economic warfare. These dangers can be eliminated by the firm resolution of this nation and the United Kingdom to carry forward the work which has been so well begun.

The Financial Agreement transmitted herewith means that instead of economic controversy between the two countries, the wise rules of the Bretton Woods Agreements will be fully effective much sooner than we believed possible when the Congress enacted the Bretton Woods Agreements Act. I urge that Congress act on the Financial Agreement promptly.

HARRY S. TRUMAN

NOTE: The text of the Financial Agreement is published in the Department of State Bulletin (vol. 13, p. 907), and in the U.S. Statutes at Large (60 Stat. 1841).

For the President's statement upon signing bill implementing the Agreement, see Item 169.

26 Radio Remarks on Behalf of the March of Dimes Campaign.

January 30, 1946

[Broadcast from the White House at 11:55 p.m.]

Fellow Americans:

Tonight would have been the 64th birthday of Franklin Delano Roosevelt. In a life dedicated to his fellow man, the fight against infantile paralysis was only one which he waged for the welfare of humanity.

Someday there will be written the full story of what Franklin Roosevelt gave to others. Someday there will be a deeper, fuller appreciation of his infinite sympathy for the man who had less—less strength—less chance—less health.

The National Foundation for Infantile Paralysis, which he founded in 1938, is a living monument to his interest in mankind.

It is a symbol of his sacrifice and courage. It has become a living tradition.

The fight to conquer infantile paralysis is an unfinished task of Franklin Delano Roosevelt. It must, and shall be carried to complete victory.

I am happy to be able to lend my support to this cause, and I am glad to do it also because of my conviction that the health of the people is the direct concern of the Government.

Our country is not merely the sum of its parts. It is not the total of its resources, the aggregate of its wealth. Our country is much more than the complement of all our

States and boundaries, our cities and our farms. It is the sum of its culture, its heritage, its traditions. It is the sum of its strength, its vigor, and its spirit.

The interests of our Nation are weakened, the objectives we seek are delayed so long as the unsolved mysteries of diseases such as infantile paralysis remain a challenge to our welfare.

We have concluded a war to repel a threat to our civilization. It was a war that disrupted our lives. But it also gave us new perspectives and new values.

One of these was a sharp recognition that health is a public responsibility. The activities of the National Foundation for Infantile Paralysis are a valid and important effort in the direction of sound health for the Nation.

If we fail to recognize the inherent danger of this disease we overlook a threat to the people of the United States. To unite against it is to provide for ourselves and our children the insurance of a brighter future in which to enjoy the fulfillment of the rich and generous life for which we fought.

Tonight we face a new world. Our techniques have multiplied, our powers have widened. New patterns of valuation and new loyalties come crowding upon us. We are a free people. The world draws near to us, and out of the agony of war we have emerged with new understanding, and with a basic reverence for the right of men to be free. But the freedoms for which we fought are only opportunities—the opportunities to live useful and happy lives.

Health is no guarantee of freedom, but without it no people can really be free. Our way of life demands that we fight against any foe that threatens our freedom.

Infantile paralysis is such a foe. We are fighting it. We have declared total war against it. Through the efforts of the National Foundation, we are carrying on a nationwide campaign to destroy it.

Our foe, however, is a formidable enemy that does not hesitate to make attacks against which we cannot as yet plan. We must, therefore, be constantly armed against infantile paralysis. We must drill our citizens in the methods of combatting it. For without the help of the entire Nation, complete victory is impossible.

The fight against infantile paralysis cannot be a local war. It must be nationwide. It must be total war in every city, town, and village throughout the land. For only with a united front can we ever hope to win *any* war.

Wars are expensive. This one will be, too. But the thousands of victims claimed each year by infantile paralysis justify the cost. Americans do not measure human life and happiness in terms of dollars.

I am confident of the eventual outcome of this fight against infantile paralysis. I look forward to the day when we shall have a decisive victory over this disease. That's what Franklin Roosevelt wanted. To join in the March of Dimes is to expedite that conquest.

Our problems of Government are chiefly the conflicts of growth and change. They are the ebb and flow of national existence. But despite these, we move toward tomorrow with the conviction that the spirit of our Nation is best expressed in the improving standard of American life.

By joining the March of Dimes you share in the betterment of our civilization; a civilization that will one day insure a healthier, happier world for all mankind!

27 The President's News Conference of *January 31, 1946*

THE PRESIDENT. [1.] I have only one announcement to make—I thought maybe you might have some questions and I would let you in—this is a letter from John Blandford to me, and my answer to him. It is mimeographed. It is his resignation as Housing Administrator, and the suggestion that he become the Budget Director for China. There are copies of that. You can get them as you go out.

Now I am ready for questions.

[2.] Q. Mr. President, some time ago, if I remember correctly, in a press conference, you indicated that when the reports were in for the last quarter on steel operations, you would let us know what in your opinion would be a justifiable increase in steel prices.

THE PRESIDENT. That is correct. Still working on that.

Q. Mr. President, when do you expect to have something on that?

THE PRESIDENT. Well, I can't give you an exact time, but there will be something on it. The announcement will be made from the White House when it is ready.

Q. Mr. President, I understand the OPA has submitted a report to you suggesting what the price increase should be?

THE PRESIDENT. They are still working on that report.

Q. It hasn't come in yet?

THE PRESIDENT. It hasn't been finished.

Q. It was promised for February 1st, I believe.

THE PRESIDENT. Well, the quarter, as I understand it, ended on December 31, and they are still working on the figures. I will make the announcement when it is ready.

[3.] Q. Mr. President, the Secretary of Commerce this morning recommended that

the Manhattan District be turned over to civilian control at the earliest possible moment. Do you have any comment on that, sir?

THE PRESIDENT. Yes. Whenever the Congress fixes the necessary responsibility, that will be done.

[4.] Q. Mr. President, would you say when, in your opinion, the war emergency may be officially declared over?

THE PRESIDENT. No, I can't make that announcement today. I will make it whenever that time arrives.

[5.] Q. Mr. President, do you support the State Department's policy that the United States should—

THE PRESIDENT. The State Department doesn't have a policy unless I support it. [Laughter] Finish your question—I'm sorry.

Q. I mean with regard to the inter-American defense treaty, that we will not sign it if Argentina—

THE PRESIDENT. I don't know anything about any preliminary decision, or whether it will be signed or won't be signed, but whatever policy the State Department has, I will support it, or it won't be a policy. The State Department carries out the policies that are laid down by the President of the United States.

[6.] Q. Mr. President, are you still hopeful of universal military training legislation?

THE PRESIDENT. Yes, I am—yes, I am.

[7.] Q. Mr. President, can you say when you learned of the agreement at Yalta regarding the Russian possession of the Kurile Islands, or our willingness to support Russian claims to the Kurile Islands?

THE PRESIDENT. I can't give you the exact

date. It was sometime last summer, previous to the trip to Potsdam. You see, Mr. Byrnes wasn't made Secretary of State until December—July 3d, if I remember correctly, and I don't know what the exact date was that I became familiar with those documents. It was necessary for me to be familiar with them before I went to Potsdam.

Q. Mr. President, are we commanding air bases on the Kuriles?

THE PRESIDENT. We are not. No reason for air bases on the Kuriles.

[8.] Q. Mr. President, can you comment at all on the mail and telegrams you have received in connection with the court-martial death sentence imposed on a New Jersey soldier?

THE PRESIDENT. I haven't seen any. I have seen none. There may be some, however, that have not yet been delivered to me.

[9.] Q. Mr. President, how do you feel about the labor situation now?

THE PRESIDENT. I think the labor situation is improving all the time.

Q. Do you see a chance, sir, for any break in the steel deadlock on prices—and the strike?

THE PRESIDENT. I will make that announcement at the proper time. I don't want to comment on it now.

Q. Mr. President, in that connection, yesterday Mr. Olds, Chairman of the Board of United States Steel, indicated that a price increase of six and a quarter dollars a ton would not be sufficient to cover the 18½ cents wage increase. Do you have any comment on that?

THE PRESIDENT. I have none.

Q. Have you any comment on the possible seizure of the steel industry by the Government?

THE PRESIDENT. No further comment. I said something about it the other day. It isn't now under contemplation.

Q. Not now?

Q. Mr. President, do you have any comment on House action on your factfinding bill?

THE PRESIDENT. What was the House action on it?

Q. The Case bill—the substitute.

THE PRESIDENT. That was the action—not the action of the House but the action of the Rules Committee, wasn't it? The House hasn't yet acted on it, unless they voted within the last few minutes.

Q. The House voted to take up the rule.

THE PRESIDENT. The House voted to take up the rule? They still haven't acted.

Q. To take up the bill—258 to 114.

THE PRESIDENT. I have no comment on it. That's the business of the House.

Q. It is 20 days since General Motors defied the President's factfinding findings, and 13 days since United States Steel has rejected the President's proposal. Does the President contemplate any speedy action to break that deadlock?

THE PRESIDENT. I beg your pardon?

Q. Does the President contemplate any speedy action to break that deadlock?

THE PRESIDENT. We have been working on it all the time, taking all the action we possibly can, just as speedily as we can.

[10.] Q. Mr. President, outside of waiting on OPA to do something with prices, what else is going on under the surface? [*Much laughter*]

THE PRESIDENT. I have no comment on that until when we make the announcement on that—on what has been done.

Q. This OPA report was supposed to be made tomorrow.

THE PRESIDENT. No, it was not supposed to be made tomorrow. When the figures haven't all been available until just right in the immediate past, we can't expect to arrive at a conclusion in 1 day when it takes

a little longer than that to get all the facts.

Q. It will not come tomorrow, is that sure?

THE PRESIDENT. I can't answer that—

Q. Mr. President—

THE PRESIDENT. —they might fool me and bring it in tomorrow.

[11.] Q. —have you written or discussed with General Bradley the policy of taking care of nonservice-connected cases in veterans' hospitals?

THE PRESIDENT. I haven't discussed it with him.

[12.] Q. Mr. President, have you found the copy of the Yalta agreement that was spoken of in connection with Mr. Byrnes?

THE PRESIDENT. It never was lost. That Yalta agreement has been filed in the private files of the President of the United States. It has been there all the time, and I knew where it was all the time.

Q. Mr. President, is it likely to be made public if Moscow and London—

THE PRESIDENT. The State Department is inquiring of Moscow and London if they have any objections to its being made public, and if they have no objections the Secretary of State will make it public. It is a State Department document.

[13.] Q. Mr. President, could you tell us anything about Chief Justice Stone's visit here today?

THE PRESIDENT. Yes. He came to talk to me as the—I think I am the "titulary"—whatever that proper word is—[*laughter*—for the head of the Smithsonian Institution, and Judge Stone is the executive officer of that organization, and he came to talk to me about a meeting in August with regard to the Smithsonian Institution. He wanted me to make a speech at that meeting.

Q. He didn't discuss the possibility of the return of any of the Justice Department court people from Germany?

THE PRESIDENT. The Supreme Court was not discussed.

[14.] Q. Mr. President, have you given any thought to the possibility that there is an ambassadorial post which might soon become vacant?

THE PRESIDENT. Yes, sir. I have given a great deal of thought to that. Well, Mr. Harriman has been trying to quit ever since Germany folded up.

Q. We understand the job was offered to Mr. McCloy, and Mr. McCloy found himself unable to accept?

THE PRESIDENT. I have offered the job to nobody. I have offered the job to nobody—just discussed it with Mr. Harriman and the Secretary of State.

[15.] Q. Has the steel industry suggested any price increase to offset this proposal—

THE PRESIDENT. Not to me.

Q. Not to you?

[16.] Q. Mr. President, have you any comment on the letter of Henry Ford 2d, suggesting the removal of price controls?

THE PRESIDENT. The only comment I have to make on it is that you can't do it, unless you want wild inflation.

Q. What was that last?

THE PRESIDENT. Wild inflation.

[17.] Q. Mr. President, I am not clear about the Yalta thing yet. Is that in the form of a treaty, and if so, is it signed by Churchill?

THE PRESIDENT. It is an agreement signed by Mr. Roosevelt and Mr. Churchill and Mr. Stalin, just the same as the one at Potsdam was signed by myself and Mr. Attlee and Mr. Stalin.

Q. Mr. President, are we going to have any more of these agreements brought out later?

THE PRESIDENT. I can't answer that. I can't answer that. There are agreements

signed in that way at all of these meetings. I think most of them have been made public. If any of them haven't been made public, at the proper time they will be made public.

These were wartime agreements made in an effort to arrive at agreements with our allies, to use the forces of ourselves and our allies to the best advantage to win the war. That is what this Yalta agreement was.

[18.] Q. Mr. President, Secretary of the Interior Ickes has written an article advo-

cating that Alaska be opened to immigration from abroad. Have you any comment on that?

THE PRESIDENT. No, I haven't. I haven't read the article. That is a matter for the Congress to settle.

Reporter: Thank you, Mr. President.

THE PRESIDENT. That's all right.

NOTE: President Truman's forty-sixth news conference was held in his office at the White House at 4 p.m. on Thursday, January 31, 1946.

28 Letter to Senator McMahon Concerning a Bill for Domestic Development and Control of Atomic Energy. *February 2, 1946*

[Released February 2, 1946. Dated February 1, 1946]

My dear Senator McMahon:

You have requested my views on S. 1717, a bill for the domestic development and control of atomic energy. I wish to give you my thoughts at this time because I consider the subject of paramount importance and urgency, both from the standpoint of our welfare at home and that of achieving a durable peace throughout the world.

I appreciate the thorough and impartial manner in which atomic energy hearings have been held before your Committee. I believe that the hearings, in keeping with democratic tradition, have aided the people in obtaining a clearer insight into the problems which such legislation must meet.

You will recall that I sent a special message to the Congress on October 3, 1945, calling for legislation to fix a policy for the domestic control of atomic energy. Since then I have given considerable time to the further study of this most difficult subject. I have had the advantage of additional technical information and expressions of public opinion developed at the hearings. With this background I feel prepared to

recommend in greater detail than before what I believe to be the essential elements of sound atomic energy legislation:

1. A commission established by the Congress for the control of atomic energy should be composed exclusively of civilians. This should not be interpreted to disqualify former military personnel from membership, and is in accord with established American principles embodied in our statutes since 1870. I would prefer a three-man commission in lieu of a larger group which administrative experience has shown unwieldy. It is essential that the members of the commission be full-time Government employees.

2. The Government must be the exclusive owner and producer of fissionable materials. (*Fissionable* materials are, of course, to be distinguished from *source* materials from which fissionable materials may be derived. By fissionable materials, I mean such as U₂₃₅, or Plutonium, or any substance enriched in these beyond its natural state.) It follows that there should be no private patents in this field of exclusive government activity.

The disadvantages of Government monopoly are small compared to the danger of permitting anyone other than the Government to own or produce these crucial substances, the use of which affects the safety of the entire Nation. The benefits of atomic energy are the heritage of the people; they should be distributed as widely as possible.

3. Consistent with these principles it is essential that devices utilizing atomic energy be made fully available for private development through compulsory, non-exclusive licensing of private patents, and regulation of royalty fees to insure their reasonableness. These provisions will assure widespread distribution of the benefits of atomic energy while preserving the royalty incentive to maintain the interest of private enterprise.

4. In my message of October 3rd, I wrote: "Our science and industry owe their strength to the spirit of free inquiry and the spirit of free enterprise that characterize our country . . . (This) is our best guaranty of maintaining the preeminence in science and industry upon which our national well-being depends."

Legislation in this field must assure genuine freedom to conduct independent research and must guarantee that controls over the dissemination of information will not stifle scientific progress.

Atomic energy legislation should also in-

sure coordination between the research activities of the Commission and those of the proposed National Science Foundation, now under consideration by the Congress.

5. Each of the foregoing provisions for domestic control of atomic energy will contribute materially to the achievement of a safe, effective international arrangement making possible the ultimate use of atomic energy for exclusively peaceful and humanitarian ends. The Commission should be in a position to carry out at once any international agreements relating to inspection, control of the production of fissionable materials, dissemination of information, and similar areas of international action.

I feel that it is a matter of urgency that sound domestic legislation on atomic energy be enacted with utmost speed. Domestic and international issues of the first importance wait upon this action.

To your Committee, pioneers in legislation of vast promise for our people and all people, there beckons a place of honor in history.

Sincerely,

HARRY S. TRUMAN

[Honorable Brien McMahon, United States Senate, Washington, D.C.]

NOTE: On August 1, 1946, the President approved the Atomic Energy Act of 1946 (Public Law 585, 79th Cong., 60 Stat. 755) providing for the development and control of atomic energy.

29 Statement by the President Announcing Emergency Measures To Relieve the World Food Shortage. *February 6, 1946*

FOR THE WORLD as a whole, a food crisis has developed which may prove to be the worst in modern times. More people face starvation and even actual death for want of food today than in any war year and perhaps more than in all the war years combined.

The United States and other countries have moved food into war-torn countries in record amounts, but there has been a constantly widening gap between essential minimum needs and available supplies.

Although this country enjoyed a near-record production of food and a record crop

of wheat, the wheat crops of Europe and North Africa and the rice crops of the Far East have proved to be much shorter than anticipated; in fact some areas have experienced the shortest crops in fifty years because of extreme droughts and the disruption of war.

We in this country have been consuming about 3,300 calories per person per day. In contrast, more than 125 million people in Europe will have to subsist on less than 2,000 calories a day; 28 million will get less than 1,500 calories a day and in some parts of Europe, large groups will receive as little as 1,000 calories.

Under these circumstances it is apparent that only through superhuman efforts can mass starvation be prevented. In recognition of this situation Great Britain only yesterday announced cuts in rations of fats and a return to the dark wartime loaf of bread.

I am sure that the American people are in favor of carrying their share of the burden.

Accordingly, I have instructed the appropriate agencies of the Government to put into effect a number of emergency measures designed to help meet critically urgent needs to the greatest possible extent in the shortest possible time. The cooperation of every man, woman and child, the food trades and industries, the transportation industry, and others will be needed to make these measures effective. I know the conscience of the American people will not permit them to withhold or stint their cooperation while their fellow men in other lands suffer and die.

The measures to be taken are as follows:

1. The appropriate agencies of this Government will immediately inaugurate a vigorous campaign to secure the full cooperation of all consumers in conserving food,

particularly bread. Additional emphasis will be placed upon the cooperation of bakers and retailers in reducing waste of bread in distribution channels.

2. The use of wheat in the direct production of alcohol and beer will be discontinued; the use of other grains for the production of beverage alcohol will be limited, beginning March 1, to five days' consumption a month; and the use of other grains for the production of beer will be limited to an aggregate quantity equal to that used for this purpose in 1940 which was 30 percent less than the quantity used in 1945. This will save for food about 20 million bushels of grain by June 30, 1946.

3. The wheat flour extraction rate (the quantity of flour produced from each bushel of wheat) will be raised to 80 percent for the duration of the emergency. Also, steps will be taken to limit the distribution of flour to amounts essential for current civilian distribution. This will save about 25 million bushels of wheat during the first half of 1946.

4. The Department of Agriculture will control millers' inventories of wheat and bakers' and distributors' inventories of flour. The inventory controls will be designed to maintain the wheat and flour being held for civilian use at the minimum necessary for distribution purposes.

5. Specific preference will be given to the rail movement of wheat, corn, meat, and other essential foods in order promptly to export maximum quantities to the destinations where most needed.

6. The Department of Agriculture will exercise direct control over exports of wheat and flour to facilitate movement to destinations of greatest need.

7. Necessary steps will be taken to export during this calendar year, 375,000 tons of fats and oils, 1.6 billion pounds of meat,

of which one billion pounds is to be made available during the first half of 1946, and to increase the exports of dairy products, particularly cheese and evaporated milk.

8. The War and Navy Departments already have aided materially the movement of Philippine copra (the raw material from which coconut oil is produced) by releasing 200 LCM and J boats for the interisland trade in the Philippines. Those Departments and the War Shipping Administration will take immediate steps to make available the additional ships needed for this purpose.

The Secretaries of War and Navy will release for the movement of food to Europe all refrigerated ships not essential to the maintenance of the flow of food to the armed forces.

9. The Department of Agriculture will develop additional ways in which grain now being used in the feeding of livestock and poultry could be conserved for use as human food. These steps may include means to obtain the rapid marketing of heavy hogs, preferably all those over 225 pounds, and of beef cattle with a moderate rather than a high degree of finish; to encourage the culling of poultry flocks; to prevent excessive chick production; and to encourage more economical feeding of dairy cattle. Regulations to limit wheat inventories of feed manufacturers and to restrict the use of wheat in feed will be prepared.

We are requesting the cooperation of re-

tailers and other distributors in informally rationing commodities that will be in scarce supply for the months immediately ahead. Actual reductions in the volume of distribution may be suggested, with the obligations placed on the industry involved to handle distribution equitably. I believe that with the wholehearted cooperation of food manufacturers, wholesalers, and retailers the job can be done.

The measures which I have directed will no doubt cause some inconvenience to many of us. Millers and bakers, for example, will have to adapt their operations to produce and to use flour of a higher extraction rate while consumers may not be able to get exactly the kind of bread that many prefer. We will not have as large a selection of meats, cheese, evaporated milk, ice cream, margarine, and salad dressing as we may like. However, these inconveniences will be a small price to pay for saving lives, mitigating suffering in liberated countries, and helping to establish a firmer foundation for peace.

In attempting to alleviate the shortages abroad, this country will adhere to the policy of giving preference to the liberated peoples and to those who have fought beside us, but we shall also do our utmost to prevent starvation among our former enemies.

I am confident that every citizen will cooperate wholeheartedly in the complete and immediate mobilization of this country's tremendous resources to win this world-wide war against mass starvation.

30 The President's News Conference of *February 7, 1946*

THE PRESIDENT. [1.] I have a most interesting letter which I would like to read to you this morning, from the famous Dean of Canterbury, Mr. Hewlett Johnson. He says:

"My dear Mr. President:"—

This is dated 31st of January, 1946.

—"May I categorically deny a statement, which I understand has appeared in the

American Press, that I regarded America as 100 years behind in everything save religion and 150 years behind in that." [Laughter] "That statement, which is of course ridiculous, was made in a jocular mood by my predecessor." [More laughter]

"I neither endorsed such a statement, nor do I think it is true.

"I believe and constantly affirm that America leads the world in industrial adventure, activity and achievement. Indeed, I am accused in England of over-enthusiasm for America's achievement.

"I am convinced that we in Europe have rich lessons to learn from America, especially in enterprise and the arts of production.

"I believe also that America may learn in the future from some European experiments in distribution and planned economy.

"I only write because had such a statement really been made by me, it would have shown the most gross ingratitude for the over-abundant kindness I received from you and your countrymen."

If anybody wants a copy of that letter, we will furnish it.

[2.] Now to get down to serious things, I am particularly interested in this food situation.

In most of the wheat-producing countries of the world, outside of the United States and Canada, there has been almost a total crop failure in wheat. Australia's crop is a failure. South Africa had a drought. All Europe suffered from a drought, so far as the wheat situation is concerned. And in the Far East, the production of rice in India is from 12 to 15 percent short of the usual crop, and they are always an importing country on that part of their food, and they import from Burma and Siam and Indochina. Those countries' rice crops are, of course, a total failure on account of the fact that they have—were in this war situation,

and they also have had adverse weather conditions along with the war situation. The Japanese crop, I am informed, is 15 percent short of normal, and they import usually 15 percent of their rice for food.

It is proposed under this program which we have inaugurated, that we hope to be able to ship 6 million tons of wheat in the first half of 1946. Now, if anybody needs a lesson in arithmetic, that is about 200 million bushels. The measures ordered should make it possible for us to come closer to what we want to do by about 500,000 or a million tons.

Wheat and other food products which we plan to export during the first 6 months of this year will provide 50 million people with a diet of 2,000 calories a day, or 100 million with 1,000 calories a day for a 6 months' period.

Now, some of the people in the devastated countries of Europe are living on much less than 1,500 calories a day. We eat about 3,300 here in the United States. The situation is so serious that we felt it was absolutely essential to take every measure possible to help keep the people in these countries from starving; because in those countries which are our friends and allies, they are not to blame for the situation.

And in enemy countries we can't afford to see our enemies starve, even if they did bring this situation on themselves. We can't do that and live according to our own ideals.

We have asked Canada and Australia, and all the countries which are supposed to have surplus foods, to join us in this program; and I think every one of them will.

If you want a copy of these figures and things, Mr. Ayers will be able to furnish them to you after the conference.

Q. Mr. President, is it possible we may have meat rationing as a—may we have

to come to that eventually?

THE PRESIDENT. I hope not. If the packing plants can run at full blast, it will not be necessary. If it becomes necessary, in order to keep 10 or 15 million people from starving to death, I think we ought to do it.

Q. Mr. President, can you throw any light, in that connection on that same story, in your meeting with the Cabinet?

THE PRESIDENT. That is substantially the statement that was issued yesterday as adopted by the Cabinet as a whole.

Q. Mr. President, under the Potsdam Declaration, the rations of the Germans should be no higher than the European average?

THE PRESIDENT. That's right.

Q. Does this worldwide shortage, particularly as it affects Europe, indicate there will have to be a cut in German rations?

THE PRESIDENT. There will probably have to be a cut in the whole European ration. There *is* a cut in the whole European ration now. That is what we are trying to meet. We are trying our best to meet the thing on as equitable a basis as we possibly can.

Q. But this thousand calories would be less than the Germans are getting. Are we going to feed the enemy better than our allies?

THE PRESIDENT. No, we are not. That is what we are trying to prevent. We are not going to do that. We are going to take care of our allies first. That figure is in Poland and Germany, principally.

Q. I was thinking of Poland, that is what I mean.

THE PRESIDENT. Poland and Germany. But we certainly are not going to treat our allies worse than our enemies, you can be assured of that.

Q. Mr. President, are there any mechanical difficulties in milling the flour?

THE PRESIDENT. I don't know. I don't

know enough about the milling business to answer the question.

Q. Mr. President, can you say whether there is any problem of hoarding wheat in other countries at the present time?

THE PRESIDENT. I am not familiar with it, if there is.

Q. Mr. President, in connection with the extraction order, there are some rough spots in the milling industry, and I take it that the objection to that order is to get the wheat and the order—you would not object to the order being workable or flexible, so long as you got the wheat?

THE PRESIDENT. That's the point exactly. And I think we will get their cooperation—I don't think there will be anybody who isn't anxious to keep people from starving to death. It's un-American, I think, to have the idea to let people starve.

Q. Mr. President, when you were discussing this with the experts—with the agricultural people particularly—did they bring up details of this wheat shortage—grain shortage—in certain areas where farmers would be anxious to keep the wheat right with them, and you have to get it out? Is that part of the problem?

THE PRESIDENT. Yes. I think every phase has been gone into by the agricultural experts.

Q. Any particular answer to that situation?

THE PRESIDENT. I can't give you an answer to that. We hope that this situation will work out. The reports that have been made indicate that everybody seems to think it answers the purpose.

Q. Mr. President, if there will be no rationing here, are the mechanics such that we will cut down, just not buy so much; that is, the American people—

THE PRESIDENT. Yes. Make contributions, just like they would clothing and everything

else. I think they will do that. I think they will be pleased to do that.

Q. Mr. President, who will handle the equitable distribution of these food supplies in the various countries?

THE PRESIDENT. UNRRA will handle most of it.

Q. It will continue under UNRRA?

THE PRESIDENT. Yes.

Q. Mr. President, does this 6 million tons represent an increase in our commitments, or a decrease in our commitments?

THE PRESIDENT. No. There is, I think, a slight decrease in our first commitments. You will have to get those figures categorically from the Secretary of Agriculture, who has been the conferee with our allies in this setup.

Q. Mr. President, can you tell us what estimate you have on wheat saving from the livestock reduction program?

THE PRESIDENT. About—between 25 and 50 million bushels.

Q. Well, do you believe that this saving is justified in the light of the danger of short liquidation of livestock?

THE PRESIDENT. I don't think there will be any short liquidation of livestock. Livestock will be slaughtered at a lighter weight than they ordinarily would. And 225-pound hogs will, I think, make just as good eating as 300-pound ones; and I used to raise them.

Q. [*Aside*] Better.

[3.] Q. Mr. President, about Mr. Pauley. Are you going to withdraw his nomination?

THE PRESIDENT. I am not. I am backing Mr. Pauley. I think Mr. Pauley is an honest man, and I don't think he is the only honest man in Washington or in the oil business.

Q. Have you any comment—

THE PRESIDENT. I think he is a very capable administrator, because he was the Reparations Director up until just recently and did a magnificent job in that, and I have

the utmost confidence in him.

Q. Did Secretary Ickes advise you of his testimony before?

THE PRESIDENT. No, he did not. I didn't discuss it with him.

Q. Do you intend to now?

THE PRESIDENT. No.

Q. Mr. President, did Ed Flynn confide in you yesterday, when he was going to leave your office, that he was going to criticize Mr. Ickes?

THE PRESIDENT. No, he did not. I didn't discuss Mr. Ickes with Mr. Flynn. He was discussing other matters.

Q. Can you tell us what you were discussing, sir?

THE PRESIDENT. It was political matters in the State of New York. [*Laughter*]

Q. Mr. President, you don't consider that this situation involves anything at all, any change in your relations with Mr. Ickes?

THE PRESIDENT. I don't think so. Mr. Ickes can very well be mistaken the same as the rest of us.

[4.] Q. Mr. President, how is the price—what is the situation on the wage-price balance?

THE PRESIDENT. I hope to be able to make a complete statement on that in a day or two. I can't do it now.

Q. Will it come today possibly?

THE PRESIDENT. I don't think so.

Q. Do you anticipate, sir, that that would bring on an early settlement of the steel and other big strikes?

THE PRESIDENT. I hope so.

Q. Mr. President, has the administration made any suggestions on that wage-price formula that may be under consideration by U.S. Steel and Labor in their current sessions?

THE PRESIDENT. I haven't discussed the matter with either one, up to the present time.

Q. I was wondering whether Mr. Snyder may have passed it along for some suggestions for a formula?

THE PRESIDENT. I don't think so. They are working on it. That's what they are working—it will all be worked out.

Q. Is it a materially new wage-price stabilization policy, Mr. President?

THE PRESIDENT. No, it isn't. It's a working out of the situation we are faced with now, and I think it will be worked out in a very satisfactory manner.

Q. Can you say when, sir?

THE PRESIDENT. I hope in the next day or two.

Q. There has been some speculation, Mr. President, that this will be called "the big steel formula"?

THE PRESIDENT [*laughing*]. I haven't heard that one.

Q. Does that mean it will be temporary, Mr. President, in meeting the present situation?

THE PRESIDENT. Here is the situation that we are trying to meet: We are all aware of the fact that what we need is production. We know that if we get production—mass production—on the basis that we are capable of putting out here in this country, that the situation will adjust itself; and whenever that situation comes about there will be no reason for a wage-price formula, for that will adjust itself.

And that is exactly what we have been working for, ever since V-J Day. That was

the reason for the first directive on a wage-price formula. It was my hope that we would, as soon as possible, begin working just as hard as we could to create production to meet the demand that has now piled up as a result of the war.

We have had some stumbling blocks. We are trying to meet those stumbling blocks now. The first wage-price formula would have worked, if we had been able to arrive at the production we were hoping we were going to get.

[5.] Q. If the steel and other strikes are not settled, will there still be a Florida trip?

THE PRESIDENT. I am still going to Florida.

Q. [*Aside*] Good!

THE PRESIDENT. I can still do business by telephone.

[6.] Q. Has the committee from the House Territories Committee reported to you on their investigation of statehood for Hawaii?

THE PRESIDENT. That's right. They recommended—

Q. Can you report your views?

THE PRESIDENT. They recommended that Hawaii ought to have statehood.

Q. As you made in your annual Message for immediate statehood?

THE PRESIDENT. That's right. I think they were—they are in favor of that very thing.

Reporter: Thank you, Mr. President.

THE PRESIDENT. All right.

NOTE: President Truman's forty-seventh news conference was held in his office at the White House at 10:30 a.m. on Thursday, February 7, 1946.

31 Statement by the President Upon Disapproving a Bill of the Philippine Congress. *February 7, 1946*

I HAVE TODAY indicated my disapproval of an Act recently passed by the Philippine Commonwealth Congress providing for the validation of payments made in Japanese

"mickey mouse" money during the period of the Japanese invasion of the Philippines.

I have written a letter to Commonwealth President Sergio Osmeña stating, in part,

that "it is my considered opinion that if this Act should become law, it would tend to retard rather than to advance the economic rehabilitation of the Philippine Islands, and would offer neither relief nor protection to loyal citizens of the Philippines, the United States, or other allied countries who were deprived of valuable rights and assets by the Japanese authorities during invasion of the Philippines."

The bill passed by the Commonwealth Congress clearly affects the currency of the Philippines and therefore cannot become law without my approval under the terms of the Tydings-McDuffie Act and the Philippine Constitution, of which the Tydings-McDuffie Act is a part.

The Commonwealth Act which I am now disapproving would give legal approval to transactions and payments made under the brutal Japanese regime, without regard for the actual value of the Japanese-backed currency in which such payments were made. It would give official sanction to acts by Japanese officials in forcing the liquidation of businesses and accounts of loyal Filipinos, Americans, and allies who were imprisoned by the Japanese. It would have a most harmful effect on the Philippine financial structure which it is our hope and desire to see strengthened in preparation for independence. It would work to the benefit of persons who did business with and under the Japanese to the prejudice of those who were loyal both to the Philippine Commonwealth and to the United States Government.

On October 26, 1945, I issued instructions to the Secretary of the Treasury and the United States High Commissioner dealing with the problem of the Japanese fiat money.¹ I stated in part "while it would

be against the public interest to validate completely these contracts and settlements (made during Japanese invasion with Japanese-backed currency), a measure is needed to serve as a standard for judgments between debtors and creditors."

United States High Commissioner Paul V. McNutt, in consultation with U.S. Treasury officials, with Philippine and American business leaders, and with Commonwealth officials, worked out such a standard. The Philippine Congress rejected that proposal and enacted a measure in effect validating certain invasion payments.

I do not know what motives actuated the Philippine Congress in taking this step, but I cannot properly discharge my responsibilities to the people of the Philippines without disapproving this Act.

The United States has the implacable obligation of preparing the Philippines for independence and of helping to preserve that independence. That implies our assistance in measures for the restoration of the Philippine economy so tragically ravished by war. During the short period in which our sovereignty remains in the Philippines, we must move swiftly to secure the Philippine financial structure in every way possible. Because the good faith of the United States is involved in the soundness of Philippine currency until independence, I cannot sanction measures which in my opinion, and the opinion of my advisers, undermines that currency and gives validity to acts of our common enemy.

Commissioner McNutt has strongly recommended that I take this action. Secretary of the Interior Harold Ickes has endorsed the recommendations of the High Commissioner. I regret that I am forced to disapprove an action of the Commonwealth Government, but in doing so I am keeping faith with the Philippine people.

¹ See letter to the Secretary of the Treasury in the 1945 volume, this series, p. 424.

NOTE: The text of the President's formal letter of disapproval was also released.

Commissioner McNutt's letter follows:

Dear Mr. President:

An enrolled copy of Philippine Commonwealth House Bill No. 647 (Senate Bill No. 51), titled "An Act Governing the Payment of Monetary Obligations Incurred or Contracted Prior to and During the Japanese Invasion of the Philippines and for Other Purposes," is herewith enclosed. This bill was passed by the Congress of the Commonwealth on December 20, 1945 during the Fifth Special Session of the First Congress, and was approved by President Osmeña on January 18, 1946.

House Bill No. 647 does not provide that it shall become law upon approval of the President of the United States, but merely states: "This Act shall take effect upon its approval." My legal adviser informs me that the bill clearly "affects currency" and, accordingly, falls within the provisions of the Tydings-McDuffie Act and of the Ordinance appended to the Philippine Constitution. Therefore, in my opinion, it cannot take effect unless approved by you. I so advised President Osmeña in writing, and in reply he stated: "In connection with House Bill No. 647 which I signed yesterday, I wish to inform you that if you feel that this measure should be submitted to the President of the United States for final action, I would have no objection to your doing so."

It is strongly recommended that House Bill No. 647 be not approved, for the following reasons:

1. It will validate all payments made in Japanese

fiat pesos during the Japanese invasion on obligations incurred prior thereto and will deny to injured parties the right to contest in the courts and validity of such payments.

2. It will benefit enemy collaborators and subjects of the Axis Powers; will ratify certain acts of Japanese liquidators, and will offer neither relief nor protection to many loyal Filipinos, American citizens, and citizens of allied countries who were deprived of valuable rights and assets by the Japanese authorities.

3. It will ratify various acts of banks and other institutions, including the government-owned Philippine National Bank, whose operations were controlled and directed by the Japanese authorities, which were inimical to the interests of many citizens of the United Nations.

4. It will make insolvent life insurance companies which operated in the Philippines under the direction and control of the Japanese authorities by validating the payment of obligations due such companies and the acceptance by them of Japanese fiat pesos in the prepayment of premiums and for the purchase of annuities and paid-up policies, which will result in material loss to persons who had policies in force with such companies prior to the Japanese invasion.

5. The enactment of this debtor-creditor legislation will validate acts of the invader benefiting collaborators, which will retard the economic and political rehabilitation of the Philippines.

Respectfully yours,

PAUL V. McNUTT

32 Statement by the President on the Veterans' Emergency Housing Program. *February 8, 1946*

WHEN I CALLED Mr. Wilson Wyatt to Washington, I gave him only one instruction: to "make no little plans."

For five weeks Mr. Wyatt has been hard at work preparing his plans in consultation with all government agencies concerned and with the principal business, labor and veterans groups involved.

He has recommended a Veterans' Emergency Housing Program which is bold, vigorous and eminently practical. It has the complete and unqualified support of the Administration. All agencies of the govern-

ment are directed to use every resource at their command to fulfill this program. The Budget Director has of course been asked to review the budget recommendations in the light of the new housing proposals.

I urge the Congress to enact promptly the legislation necessary to carry out the program.

I call upon every public-spirited organization to muster its forces behind the program. I ask each community leader, each citizen, to do his utmost to make the plans a reality in his community.

NOTE: The President issued the statement upon making public a report of Housing Expediter Wilson W. Wyatt, dated February 7, 1946, and entitled "The Veterans' Emergency Housing Program"

(Government Printing Office, 1946, 13 pp.).

On May 22, 1946, the President approved the Veterans' Emergency Housing Act of 1946 (60 Stat. 207).

33 Remarks to Heads of Agencies and Personnel Directors on Reconversion of the Civil Service. *February 9, 1946*

THIS IS a privilege for me. I think it is going to make the day more pleasant for me to get a chance to see the people who actually make the Government run.

I have called you together to direct your attention to the recent Executive order placing the civil service back on a peacetime basis. There are several forward-looking moves in that Executive order that I particularly want to call your attention to. It is a decentralization of personnel management. This decentralization, I think, will be exceedingly helpful in creating efficiency—a true merit system in the Government. It gives the personnel people in the departments a chance to have some say in the selection of the people who are to do the work.

Now personnel is what makes the clock tick. You can take a very poor law, with an administrator who knows where he is going, and he will make it work. You can take the finest arrangement on paper that you can put together, and put it in the hands of a poor administrator, and you might just as well back up and not try to start.

I am anxious to see an effective merit system in force. I would like to see the people in the places where they can do the most good. There are all sorts of people in this world. One may do an excellent job in the Veterans Bureau and be a total failure in the Department of Agriculture. One may do an excellent job in the Department of Commerce and be completely out of

place in the State Department.

You can't take a farmer and put him in immediately as the president of the biggest bank in the world and expect it to operate; neither can you take the president of any big bank and put him behind a plough and expect him to raise a crop.

The point I am trying to make is that I want the personnel people, and the heads of departments, to cooperate in establishing a merit system in the Government that will work. And we want to put it closer to you, so that you will have a hand in the fixing of the standards for the selection of the people who are going to work for you. If we can do that, I think we will have gone a long way toward efficiency in Government.

The head of a Government department must know his department, must be the boss of his department, and must make it work; and in order to do that he must have the cooperation of the people under him. And to get that cooperation, he must know his people. That is another one of the ideas we have in this new Executive order which has just been issued.

I will certainly appreciate it more than I can tell you if you will take that order and study it, and then help me to implement that order so that it will work practically on the ground.

I think it is a good order, but it is not worth the paper it's written on if you people don't put it into effect.

It has been a privilege to me to see all of

you. I wish I could speak to you, shake hands with each one of you, and find out just exactly what your ideas are. Some of these days, when the reconversion program is completed, maybe I will have an opportunity to do that.

I have been thinking every week, that perhaps the next week will not be quite so hectic as the week just passed, but the coming week is always just a little more hectic. This is one place where you never lack for action, and where there is always a crisis just around the corner and I have to do something about it. But the next day that crisis is passed, and it's just like yesterday's newspapers. That's the way we must face those things.

Now I am counting on you and your cooperation to make this peacetime Government of ours just as efficient as the wartime Government was, for the purpose for which it was set up.

You can do it.

And I want to say to you that I will give you all the cooperation that the Office of the President of the United States is capable of giving to you.

NOTE: The President spoke in the Motion Picture Room at the White House. He referred to Executive Order 9691 "Directing the Civil Service Commission To Resume Operations Under the Civil Service Rules and Authorizing the Adoption of Special Regulations During the Transitional Period" (Feb. 4, 1946; 3 CFR, 1943-1948 Comp., p. 501).

34 Statement by the President Marking the Bicentennial of the Birth of Thaddeus Kosciusko. *February 11, 1946*

FEBRUARY 12 of this year will mark the 200th anniversary of the birth of a great Polish patriot who is revered by all Americans—General Thaddeus Kosciusko.

The American nation will never forget the prominent role he played in the early history of this country. They will never forget the great service which he so generously rendered to the cause of American independence and which contributed in such great measure to the ultimate success of that cause. But even more important than this, Kosciusko will be remembered by the people of America, as well as by the people of

Poland and many other lands, for his unflagging devotion to the ideals of liberty, freedom and justice to all mankind. To the attainment of these ideals Kosciusko, throughout his life-time, devoted all his energies and talents. His heroic efforts in the cause of liberty have served as an inspiration to all peoples.

It is most fitting that on February 12 the people of the United States join with the people of Poland—bound together as they are by historical ties—in honoring the memory of one of Poland's brave and gallant sons and one of America's great heroes.

35 Statement by the President Upon Issuing Order Modifying the Wage-Price Policy. *February 14, 1946*

IN MY MESSAGE to Congress on the State of the Union, I said: "... everyone who realizes the extreme need for a swift

and orderly reconversion must feel a deep concern about the number of major strikes now in progress. If long continued, these

strikes could put a heavy brake on our program."

These work stoppages have continued and some of them are serious enough to threaten our economy with almost complete paralysis.

They are accompanied by inflationary pressures that also threaten the stability of our economy.

At such a time, it is necessary for the Government to bend every effort to put our economy back to work, to assert control over the forces of inflation in the interest of *all* the American people, and to remove any doubt that the Government means to enforce its program. I call upon management, labor, farmers—the American people as a whole—and their representatives in Congress to give this effort their unqualified support.

Let me review some of the recent developments. Last August I announced a wage-price policy under which the determination of wages was returned to free collective bargaining within the framework of the present price level. Labor and management were set free to adjust wage rates to whatever extent was possible without raising prices. I urged industry to negotiate wage adjustments in order to cushion the reduction in the take-home pay of millions of American workers resulting from the loss of overtime, downgrading, and other factors. I emphasized that wage adjustments would have to vary from industry to industry, or firm to firm, according to the merits of each situation.

I had confidently hoped that, as a result of free and sincere collective bargaining, our reconversion program would proceed vigorously and in an orderly fashion. And, indeed, under this policy many thousands of wage adjustments have been made by mutual agreement without affecting prices. Nonetheless, collective bargaining has

broken down in many important situations. Several major strikes are in progress. Vitally needed production is lagging.

It is imperative that production in great volume be accomplished. We face real difficulties. Many workers have found their weekly pay greatly reduced. Many companies, squeezed between costs and prices, are not in a position to wait through a six months' period as heretofore required before seeking price adjustments. This is especially true in some instances where there is a complete change from war production to civilian production. It is likewise true in the case of small companies which lack the ample reserves of many large corporations. Many small businesses were at a disadvantage during the war. They must not be so in peace.

I am now modifying our wage-price policy to permit wage increases within certain limits and to permit any industry placed in a hardship position by an approved increase to seek price adjustments without waiting until the end of a six months' test period, as previously required.

If the general level of prices is to remain stable in the next few critical months, the immediate price relief in such cases must be conservatively appraised. It must, however, be sufficient to assure profitable operation in the test period to an industry not producing at low volume. If the expected improvement in earnings should fail to materialize in any industry, OPA will move promptly to review its action. Appropriate relief in line with the modified policy may be accorded, where practicable, to individual firms.

I am authorizing the National Wage Stabilization Board to approve any wage or salary increase, or part thereof, which is found to be consistent with the general pattern of wage or salary adjustments estab-

lished in the industry or local labor market area since August 18, 1945. Where there is no such general pattern, provision is made for the approval of increases found necessary to eliminate gross inequities as between related industries, plants, or job classifications, or to correct substandards of living, or to correct disparities between the increase in wage or salary rates since January, 1941, and the increase in the cost of living between that date and September, 1945.

This wage program, therefore, takes into account the thousands of wage agreements reached before and after V-J Day. While many groups of wage and salary earners may qualify for increases under this policy, in order to bring their pay into line with the increased cost of living, or with the existing wage levels of the industry or area, the program is not to be interpreted as permitting indiscriminate wage increases. The executive order provides that the Stabilization Administrator shall determine those classes of cases in which a wage increase may be put into effect without requiring prior Wage Stabilization Board approval and without any waiver of any rights to ask for price relief. These cases will include all those in which the increase will clearly not have an unstabilizing effect. It is contemplated that many of those increases coming within the present pattern of wage increases will not have to have individual approval. I hope that free collective bargaining will be used to the fullest possible extent.

Increases outside and beyond this general policy cannot be approved without subjecting the workers and the public to the danger of inflation. It is to the best advantage of the American worker, above all other groups, that the price line be held.

The change now being made in our wage and pricing standards can succeed only with

the support of business, labor, Congress, all the agencies of the Administration, and the rank and file of the American people.

I am directing that all administrative agencies use their full legal powers, including emergency powers delegated to them under the Second War Powers Act, to assist the Office of Price Administration in meeting the Government's responsibility for retaining control over the forces of inflation.

Priorities and allocations powers will be used vigorously wherever necessary to prevent increases in prices. There will be a strict enforcement of inventory controls. The resources of the Treasury and Justice Departments will be called upon when necessary to assist in enforcing these controls.

I trust that the Congress will: (1) extend the stabilization statutes without amendment and will do so with all possible speed so that there may be no question in anyone's mind concerning the determination of the Congress to see the fight against inflation through to the finish; (2) extend the subsidy program for another full year; (3) enact promptly the Patman Bill to establish price controls over housing (present speculation in the real estate market is one of the most dangerous aspects of the present situation and one which works particular hardship on our millions of returning veterans and their families); (4) extend promptly the Second War Powers Act, so that the emergency powers we found necessary during the war may continue to be exercised wherever necessary in dealing with the economic aftermath of war.

Only by measures such as these can we hope to retain our controls as a people over our own economic future. But even these measures will fail us unless the American people dedicate themselves to support of the national economic stabilization program.

I welcome this because I am determined

that this country shall avoid the misery and disaster of inflation and that our vast resources of purchasing power shall be a stepping stone to a fuller, richer life rather than be permitted to spend themselves in a brief orgy of inflation and disaster.

I call upon both management and labor to proceed with production. Production is our salvation. Production is the basis of high wages and profits and high standards of living for us all. Production will do away with the necessity for Government controls.

I call upon the American people to close ranks in the face of a common enemy—the enemy which after the last war turned our military victory into economic defeat. I call upon every citizen of this great Nation to join in a united effort to consolidate our military victories this time by winning through to final victory over inflation.

NOTE: The text of Executive Order 9697 "Providing for the Continued Stabilization of the National Economy During the Transition From War to Peace" (3 CFR, 1943-1948 Comp., p. 507) was released with the President's statement.

36 Statement by the President Concerning Reestablishment of the Office of Economic Stabilization. *February 14, 1946*

I AM ISSUING an Executive Order reestablishing the Office of Economic Stabilization. The new wage and price policy will place great demands on both the Office of Economic Stabilization and the Office of Price Administration. I plan to appoint as the directors of these respective offices two able and experienced men, Chester Bowles

and Paul A. Porter.

I am designating Charles R. Denny, Jr., as Acting Chairman of the Federal Communications Commission.

NOTE: The President referred to Executive Order 9699 "Reestablishing the Office of Economic Stabilization" (Feb. 21, 1946; 3 CFR, 1943-1948 Comp., p. 509).

37 The President's News Conference of *February 15, 1946*

THE PRESIDENT. I have no particular statement to make to you today. I thought you might want to ask some questions.

[1.] Q. Mr. President, are there any negotiations now in progress with other countries for bases overseas—for our bases overseas?

THE PRESIDENT. None that I know of.

[2.] Q. Mr. President, were you speaking in a Pickwickian sense when you asked Mr. Ickes to tell the truth about Mr. Pauley?

THE PRESIDENT. I never speak in a Pickwickian sense.

Q. Would you regard it, sir—would you regard Mr. Ickes's statement as an attempt to impugn your integrity?

THE PRESIDENT. Well, I don't think he would dare do that.

Q. Will you withdraw Mr. Pauley's nomination, Mr. President?

THE PRESIDENT. I will not.

Q. Do you expect Mr. Pauley may ask that it be withdrawn?

THE PRESIDENT. I don't expect that he will.

Q. Will you be embarrassed if he does withdraw it?

THE PRESIDENT. I don't think I will be embarrassed by it.

Q. Did you consider Mr. Ickes a good public servant?

THE PRESIDENT. Yes, I did.

Q. Do you expect Mr. Pauley to be confirmed, Mr. President?

THE PRESIDENT. Yes, I do. Mr. Pauley is a good man. He made the best deal, I think, that has ever been made on a reparations program as an American representative on the Reparations Commission, both in Germany and in Japan; and the policy that he set is now being followed in Italy.

Q. What is the deal on Japan? I don't think that has ever been made public. Could you tell us about it?

THE PRESIDENT. No, I can't. It is not entirely complete as yet.

Q. Mr. President, how did you happen to announce Mr. Pauley for your man—how did it happen you picked out that particular job for him?

THE PRESIDENT. Because the Secretary of the Navy asked that Mr. Pauley be appointed to that position, and it was anticipated that President Roosevelt would appoint him to that position.

[3.] Q. Mr. President, when you sent General Marshall out to China, you gave him certain instructions, which you made public, on our objectives and our policies in China.

THE PRESIDENT. That's right.

Q. Do you plan on doing the—doing the same thing with General Smith when you send him to Moscow?

THE PRESIDENT. No, I would not. It is an entirely different situation.

Q. Yes, they are. [*Laughter*]

[4.] Q. Mr. President, despite what was in Secretary Ickes's letter, there is still some confusion as to whether he ever did protest the idea of the Pauley appointment. There have been reports that he was asked that,

and he did say he thought it was a bad one. Can you clear that up?

THE PRESIDENT. The only conversations I ever had with Mr. Ickes on Mr. Pauley, he complimented Mr. Pauley very highly as a good public servant.

Q. Since the nomination went up?

THE PRESIDENT. No. One time—not so long ago—July of last year, when Mr. Ickes was desiring to quit, if you remember, and I persuaded him to stay.

Q. Something was said about Pauley—

THE PRESIDENT. Mr. Pauley had been one of his advisers in the Petroleum Administration for War, and he thought highly of him.

Q. Mr. President, in connection with that, in Mr. Ickes's statement you recall he said that the last time he saw you that the matter did come up, that he showed you Mr. Walsh's telegram, and then his closing line on that—sort of sally—was that the President said—that isn't close—tell the truth but go gentle on it.

THE PRESIDENT. I never saw Mr. Walsh's telegram. It was never shown to me in the Cabinet room, or on Friday after the Cabinet meeting. Mr. Ickes came and said that he had been summoned to testify on Mr. Pauley, and I said, "Well, tell the truth, and be kind to Pauley."

Q. Mr. President, were you familiar with the written memoranda that Mr. Ickes gave to the committee, when you said you thought Ickes might be mistaken?

THE PRESIDENT. No, I wasn't. I don't keep written memoranda for future use, and I didn't know that any of my Cabinet officers did, either.

Q. Mr. Ickes presented a series of written memoranda and made the—

THE PRESIDENT. I knew nothing about them, of course.

Q. Mr. President, may we have that sen-

tence of yours repeated—Mr. Ickes said something after the Cabinet meeting?

THE PRESIDENT. He said he had been summoned to appear before the committee, on Mr. Pauley, and I stated to him, "Well, tell the truth, but be kind to Pauley."

Q. Did you tell him to be "as gentle," or "as kind"?

THE PRESIDENT. I said, "be kind."

Q. Do you recall when the Secretary of the Navy first recommended Mr. Pauley's appointment to that—

THE PRESIDENT. Back in November—a long time before Mr. Bard quit. I think it was back in November—maybe in October.

Q. October, 1945?

THE PRESIDENT. Yes—of last year.

Q. Would you like to elaborate—

Q. Initiated by the Secretary of the Navy, sir?

THE PRESIDENT. Yes.

Q. Could you elaborate on that, Mr. President, that President Roosevelt had—having had the intention to appoint him?

THE PRESIDENT. That is what the Secretary of the Navy informed me. I had not talked to Mr. Roosevelt about it before he died.

Q. Well, Mr. President, since the testimony of Mr. Pauley and Mr. Ickes differs on a single fact, do you have any choice as to which of them was telling the truth? [Laughter]

THE PRESIDENT. Are you going to try to insist that I call somebody a liar at a press conference? [More laughter]

Q. [Aside] Yes!

THE PRESIDENT. My suggestion to you would be to wait until all the evidence is in, and then draw your own conclusions.

Q. Do you think, sir, that the Justice Department ought to investigate to see which one is telling the truth?

THE PRESIDENT. I don't see any reason for that. This is a political argument.

[5.] Q. Speaking of politics, sir, have you told your friends that you do not want to run for the nomination in 1948? [Laughter]

THE PRESIDENT. The first time I ever heard of that was what I saw—as Will Rogers used to say—what I saw that Mr. Reynolds had discussed in the paper. He hadn't discussed that matter with me, and Mr. Hannegan says he hasn't discussed the matter with him. I never heard of the conversation before.

Q. In that connection, sir, do you want to run in 1948? [Much laughter]

THE PRESIDENT. Don't you think that you are being a little previous on that? When 1948 comes along, I will have to make a decision, which I will make. I am not thinking of 1948 now. I am trying to get through 1946. [More laughter]

[6.] Q. Mr. President, when might we expect an announcement concerning Mr. Ickes's successor in the Cabinet?

THE PRESIDENT. Just as soon as I can find the right man, I will let you know about it. I am not in any hurry about it.

[7.] Q. Mr. President, can you tell us how you and the experts arrive at net worth in determining the basis for a fair return in the industry under the Executive order?

THE PRESIDENT. I don't attempt to arrive at it. That is not my job. That is what I have the experts for, and I don't bother my head with it. I have too many other things to think about.

[8.] Q. Mr. President, were you shown the white paper on Argentina before it was released? Does it carry your full approval?

THE PRESIDENT. The Argentine "blue book" was given to me, and I read it from cover to cover, and it was discussed by me with the Secretary of State and the Undersecretary of State; and I approved its release.

Q. Did you show it to Mr. Churchill, sir?

THE PRESIDENT. I did not. Never discussed it with Mr. Churchill. I did not discuss anything with Mr. Churchill but the visit to Missouri.

[9.] Q. Mr. President, is there anything new on steel?

THE PRESIDENT. No, I have nothing.

Q. When do you expect something on steel, Mr. President?

THE PRESIDENT. Well, I have been "expecting" since two weeks ago. [*Laughter*]

[10.] Q. Mr. President, could you tell us when the Executive order recreating the Office of Economic Stabilization will be issued?

THE PRESIDENT. Just as soon as it is prepared. It will be a very simple document, just simply reestablishing the Office of Economic Stabilization as it was before.

Q. That is under the OWMR?

THE PRESIDENT. That's right.

[11.] Q. May I refer back to one matter? Could you say whether you are considering Senator O'Mahoney as a possibility for the Interior post?

THE PRESIDENT. A great many Senators have recommended Senator O'Mahoney.

Q. Mr. President, is there a possibility of a Southerner being named to that—

THE PRESIDENT. No—

Q. —as Secretary of the Interior?

THE PRESIDENT. —I am not considering the situation geographically. I am trying to find the right man.

[12.] Q. Does Mr. Bowles report to you or to Mr. Snyder?

THE PRESIDENT. Mr. Bowles is in the office of Mr. Snyder.

Q. He reports to Mr. Snyder?

THE PRESIDENT. Yes.

[13.] Q. Could you tell us, Mr. President, whether you are considering liberality—whether he should be a liberal or not?

THE PRESIDENT. I want a man who is administratively capable of running the

Interior Department, and I am—and the only thing I am going to inquire into are his qualifications to operate that department.

[14.] Q. Has Mr. Bowles agreed to that setup?

THE PRESIDENT. Yes. Mr. Bowles, Mr. Snyder, and everybody in those two offices told me in the conference we had yesterday that they wanted to cooperate wholeheartedly with me to carry out the objectives in the Executive order which was issued yesterday. Everybody is in agreement, and everybody is happy with the order as it is drawn; and it has been stated by both of the former men who were the heads of OWMR that they think it is an excellent order—that is, Mr. Byrnes and Mr. Vinson. Everybody is in agreement on the order, and everybody has told me personally that he expected to cooperate fully to carry it out.

Q. Doesn't include Mr. Green of the A.F. of L. does it, Mr. President?

THE PRESIDENT. I didn't talk to Mr. Green, or Mr. Murray either one, myself personally. I think they will go along.

Q. Have you heard from steel?

THE PRESIDENT. It is in their interest to do it.

Q. Have you heard from steel, sir?

THE PRESIDENT. About what?

Q. About the price formula?

THE PRESIDENT. No. I haven't discussed it with steel.

Q. Mr. President, is Snyder authorized to take exception to anything Mr. Bowles reports to him?

THE PRESIDENT. Mr. Snyder is the head of the OWMR. He and Mr. Bowles have agreed to cooperate fully. Mr. Snyder is the head of the OWMR.

Q. Specifically, Mr. President, getting at one question, you do not expect Mr. Bowles to resign then, because his office has been placed under Mr. Snyder?

THE PRESIDENT. No, I do not. If Mr. Bowles were going to resign he would have resigned at the meeting.

Q. In case there was argument between them, which one opinion would prevail? [Laughter]

THE PRESIDENT. I would settle it.

Q. You would settle it?

THE PRESIDENT. If it became necessary, I would settle it.

Q. The decisions of Mr. Snyder would be on a high level with Mr. Bowles, and if they still differed it would come to you?

THE PRESIDENT. Yes.

[15.] Q. Mr. President, is Judge Collet going back to the bench in Kansas City?

THE PRESIDENT. Judge Collet has been a most excellent public servant. I don't want to lose his services. I will use him at a later date.

Q. Mr. President, who makes decisions under the new setup as between prices and wages?

THE PRESIDENT. That is the Stabilization Director's duty, as specifically set out in the order. If you will read paragraph 4, it carefully sets out what the Stabilization Director should do.

[16.] Q. Mr. President, can you say what is standing in the way now of the steel agreement?

THE PRESIDENT. No. I don't know what's standing in the way of it. Negotiations are going on between the parties. That's the way I want these matters settled. I want the parties to negotiate and settle their differences, if they possibly can.

Q. Mr. President, can you say just what price increase has been offered to U.S. Steel?

THE PRESIDENT. The price is \$5 a ton on the average.

Q. Has that been formally offered—

Mr. John Snyder: That will be fully explained.

Q. —or just by word of mouth?

THE PRESIDENT. That will be fully explained when the steel strike is settled.

Q. Does that include \$5 for fabricated steel, as well as—

THE PRESIDENT. No, it does not. It is an average of the OPA—the way the OPA sets those things up. It has been just exactly what two and a half and four dollars would have been.

Mr. Snyder: [Aside] Carbon and alloy steel.¹

Q. Mr. President, are you still calling this a hold-the-line policy?

THE PRESIDENT. Yes.

Q. On the—

THE PRESIDENT. I beg your pardon?

Q. Is it a new line you are holding?

THE PRESIDENT. No, it isn't. It's a bulge in the old line. [Laughter] You have heard of bulges in military lines, haven't you? [More laughter]

Q. You don't expect a breakthrough, do you, Mr. President?

THE PRESIDENT. I do not. If you will all cooperate with me, there will be no breakthrough.

Q. Mr. President, may we quote that word "bulge"?

THE PRESIDENT. Yes.

Q. May we quote those two sentences?

Q. Do you expect to close out that bulge, as other bulges have been?

THE PRESIDENT. Yes, I do. That is the objective that we have in view. And everybody is in line to help do that very thing.

¹ On February 18, Judge John C. Collet, Stabilization Administrator, announced in a statement released by the White House that in line with the President's policy he was directing an increase in maximum prices for carbon and alloy steel products in such amounts as in the judgment of the Price Administrator would be equivalent to an increase of \$5 per ton for all carbon and alloy steel mill products.

And we must do that, unless we want wild inflation. That is the reason we are trying to get controls on real estate, and everything.

[17.] Q. Mr. President, do you have any other job in line for Mr. Ickes?

THE PRESIDENT. What do *you* think? [Laughter]

[18.] Q. Mr. President, could I repeat your answer that you said we could quote direct: "No, it is not. It is a bulge in the old line. If you will all cooperate with me, there will be no breakthrough"?

THE PRESIDENT. That's correct. That is just what I said.

[19.] Q. Mr. President, has the alleged plight of the smaller steel companies, about 800 of them, in—under the overall price increase, been brought to your attention?

THE PRESIDENT. No, it hasn't. The negotiations are between Mr. Murray and the steel companies, and I didn't go into details on the matter. That was not my business.

Q. Have you any opinion on when the steel strike will be settled?

THE PRESIDENT. No, I haven't. I have expressed it on one—several occasions. We will just wait now, and see what happens.

Reporter: Thank you, Mr. President.

Q. That was very nice, Mr. President.

Q. You're a good ballplayer.

THE PRESIDENT. For Heaven's sake don't try to break up my play. [Laughter]

NOTE: President Truman's forty-eighth news conference was held in his office at the White House at 4 p.m. on Friday, February 15, 1946.

38 Statement by the President Concerning Provisions in Bill Affecting Philippine Army Veterans. *February 20, 1946*

IN APPROVING H.R. 5158, I wish to take exception to a legislative rider attached to the transfer of a \$200,000,000 item for the pay of the Army of the Philippines.

The effect of this rider is to bar Philippine Army veterans from all benefits under the G.I. Bill of Rights with the exception of disability and death benefits which are made payable on the basis of one peso for every dollar of eligible benefits. I realize, however, that certain practical difficulties exist in applying the G.I. Bill of Rights to the Philippines.

However, the passage and approval of this legislation do not release the United States from its moral obligation to provide for the heroic Philippine veterans who sacrificed so much for the common cause during the war.

Philippine Army veterans are nationals of

the United States and will continue in that status until July 4, 1946. They fought, as American nationals, under the American flag, and under the direction of our military leaders. They fought with gallantry and courage under most difficult conditions during the recent conflict. Their officers were commissioned by us. Their official organization, the Army of the Philippine Commonwealth, was taken into the Armed Forces of the United States by executive order of the President of the United States on July 26, 1941. That order has never been revoked or amended.

I consider it a moral obligation of the United States to look after the welfare of Philippine Army veterans.

I recognize, of course, that the Commonwealth Government, and after it, the Government of the Philippine Republic, have

obligations to these veterans. But the Government of the Philippines is in no position today, nor will it be for a number of years, to support a large-scale program for the care of its veterans.

However, in recognition of the practical difficulties faced in making payments to Philippine Army veterans under the G.I. Bill of Rights, I have directed the Secretary of War, the Administrator of Veterans' Affairs, and the United States High Commis-

sioner to the Philippines to prepare for me a plan to meet these difficulties. I have asked that this plan be submitted not later than March fifteenth. I expect to request Congress to make such provisions as are necessary to implement the program when it is evolved.

NOTE: As enacted, H.R. 5158, approved February 18, 1946, is Public Law 301, 79th Congress (60 Stat. 6).

For the President's message to the Senate transmitting a bill to provide benefits for Philippine veterans, see Item 122.

39 Statement by the President Upon Signing the Employment Act. *February 20, 1946*

I HAVE SIGNED today the Employment Act of 1946. In enacting this legislation the Congress and the President are responding to an overwhelming demand of the people. The legislation gives expression to a deep-seated desire for a conscious and positive attack upon the ever-recurring problems of mass unemployment and ruinous depression.

Within three years after the First World War, we experienced farm foreclosures, business failures, and mass unemployment. In fact, the history of the last several decades has been one of speculative booms alternating with deep depression. The people have found themselves defenseless in the face of economic forces beyond their control.

Democratic government has the responsibility to use all its resources to create and maintain conditions under which free competitive enterprise can operate effectively—conditions under which there is an abundance of employment opportunity for those who are able, willing, and seeking to work.

It is not the Government's duty to supplant the efforts of private enterprise to find markets, or of individuals to find jobs. The

people do expect the Government, however, to create and maintain conditions in which the individual businessman and the individual job seeker have a chance to succeed by their own efforts. That is the objective of the Employment Act of 1946.

The major provisions of this important legislation can be briefly summarized.

1. The Act declares that it is "the continuing policy and responsibility of the Federal Government . . . to coordinate and utilize all its plans, functions, and resources for the purpose of creating and maintaining . . . conditions under which there will be afforded useful employment opportunities, including self-employment, for those able, willing, and seeking to work . . ." The Congress by this declaration has accepted a great responsibility.

2. The Congress has placed on the President the duty of formulating programs designed to accomplish the purpose of the Act. In signing this Act, I accept this responsibility, which I believe is in line with the responsibility placed on the President by the Constitution. This task is so great that I can perform it only with the full and

unqualified cooperation of all who are sincerely interested in the general welfare inside and outside the Government. Making this Act work must become one of the prime objectives of all of us: citizens generally, industry, labor, and agriculture, State and local governments, and the Federal Government.

3. The Act includes a significant provision that will facilitate cooperation between the Executive and the Congress in the formulation of policies and programs to accomplish the objectives of the Act. It establishes a joint Congressional Committee consisting of seven Members of the Senate and seven Members of the House. This committee is given an assignment of great scope and the highest importance.

4. The Act establishes in the Executive Office of the President a Council of Economic Advisers, composed of three members to be appointed by the President with the consent of the Senate. The new Council

will be an important addition to the facilities available for preparing economic policies and programs. In carrying on this work, I expect the fullest cooperation between the Council, the Cabinet, and the several divisions of the Executive Office.

I am happy that the Senate adopted this legislation unanimously, the House of Representatives by a large majority. The result is not all I had hoped for, but I congratulate Members of both Houses and their leaders upon their constructive and fruitful efforts.

The Employment Act of 1946 is not the end of the road, but rather the beginning. It is a commitment by the Government to the people—a commitment to take any and all of the measures necessary for a healthy economy, one that provides opportunities for those able, willing, and seeking to work. We shall all try to honor that commitment.

NOTE: The Employment Act of 1946 is Public Law 304, 79th Congress (60 Stat. 23).

40 Statement by the President Urging Continuation of the Victory Garden Program. *February 21, 1946*

DURING THE WAR PERIOD, gardening further demonstrated its value to our people in many ways. The splendid response to the appeal for more home-produced food was an important factor in making it possible during the war for the people of this country to be better fed than before the war while supplying the best-fed fighting forces in the world and providing essential food supplies to our allies. The threat of starvation in many parts of the world and the urgent need for food from this country emphasize the importance of continued effort to add to our total food supply this year.

A continuing program of gardening will be of great benefit to our people. In addition to the contribution gardens make to better nutrition, their value in providing outdoor physical exercise, recreation and relaxation from the strain of modern life is widely recognized. The Department of Agriculture through a long-time garden program can do much to encourage more attractive home surroundings and improved community development, and can provide a large body of citizens with much needed assistance in home gardening.

NOTE: This statement was made public as part of a White House release issued following a meeting of

the President with Secretary Anderson, who had arranged for a conference of national garden leaders. The release announced the appointment of Paul C.

Stark as director of the national garden program and head of a committee to plan Department of Agriculture activities in this field.

41 The President's News Conference of *February 21, 1946*

THE PRESIDENT. Well, I haven't any special announcements to make to you this morning, so any questions you want to ask I will try to answer.

[1.] Q. Mr. President, have you decided on the membership of the civilian board to—

THE PRESIDENT. No.

Q. —preside at the atomic tests?

THE PRESIDENT. No. They are not a presiding board. They are merely a jury. I have not decided because I have not heard from those that have been asked. As soon as they reply and decide to go, I will announce them to you.

Q. You have asked some people?

THE PRESIDENT. I have asked some people to act.

Q. Mr. President, do you contemplate going out there—

THE PRESIDENT. No, no.

Q. —to see any of those tests?

THE PRESIDENT. I wish I could, but I can't go.

[2.] Q. Mr. President, have you made any decision on the man you would like to have head up the civil commission on atomic energy?

THE PRESIDENT. No, I have not.

Q. How many invitations have gone out, Mr. President?

THE PRESIDENT. Five.

Q. Five?

[3.] Q. Have we made our decision yet on the American representative on the United Nations Atomic Commission?

THE PRESIDENT. No.

Q. Mr. President, several months ago, you said—at a press conference—that you didn't share the unholy fear of Russia that was manifested by some people, and that sometime you would comment at length on that. I wonder if you could comment now, in view of the current revelations about the atomic secrets—

THE PRESIDENT. No comment.

Q. —recently by the—

THE PRESIDENT. No comment.

[4.] Q. Mr. President, do you have any comment on Mr. Macmillan's speech before members of the British cabinet, that we should return to the procedure of Big Three meetings, in order to improve Big Three relations, which he believes are rather strained at this point?

THE PRESIDENT. I haven't read Mr. Macmillan's speech, so I have no comment to make on it.

[5.] Q. Mr. President, in view of the rather strong reports in the Justice Department that certain activities—agents of foreign powers—have been observed in this country, would you say anything to put the situation in its proper perspective, for general guidance, on the Justice Department's activities?

THE PRESIDENT. I have no comment on it. I know nothing about it.

[6.] Q. Mr. President, is there any news on the Governorship of Puerto Rico?

THE PRESIDENT. No. Not this morning. I will answer that at the proper time.

[7.] Q. What about the Secretary of the Interior, Mr. President?

THE PRESIDENT. I have made no decision as yet.

Q. Has it been offered to Mr.—to Justice Douglas?

THE PRESIDENT. It has been discussed with Justice Douglas.

Q. Not necessarily mean it has been offered—

THE PRESIDENT. No.

Q. —to him? [*Laughter*]

Q. You didn't say it had *not* been, did you, Mr. President?

THE PRESIDENT. I did not. I said it had been discussed.

[8.] Q. Do you intend to withdraw Mr. Pauley's name, in view of Senator Stewart's suggestion that Pauley ought to get out now?

THE PRESIDENT. No.

Q. Does that mean, Mr. President, that Mr. Pauley will have your full support, if he wants to stay in and fight for confirmation?

THE PRESIDENT. That is my policy. And when I get behind a man, I usually stay behind him.

[9.] Q. Mr. President, if I might return to the Russian question a moment, do you have any plans to ask Congress for a Russian loan—loan to Russia?

THE PRESIDENT. No.

[10.] Q. Mr. President, this full employment board—bill that you signed yesterday, sets up a three-member council. Have you decided who—

THE PRESIDENT. No, I have not.

[11.] Q. Mr. President, does your answer that you have no plans to ask Congress for a loan to Russia exclude the possibility of a loan?

THE PRESIDENT. No, it does not.

Q. When is the Advisory Council's for-

eign lending policy report to be released by the White House, Mr. President?

THE PRESIDENT. I didn't hear the question.

Q. When will the Advisory Council's report on foreign lending policy be released by the White House?

THE PRESIDENT. It isn't ready yet. Whenever it is ready, it will be released.

[12.] Q. Mr. President, the report of Edwin Locke on China is sort of gathering dust. I wonder if you could tell us when that is going to be released, sir?

THE PRESIDENT. It isn't proper to release it as yet. It will be released when General Marshall's work is completed in China.

Q. Would you give us any idea when General Marshall's work will be completed?

THE PRESIDENT. No, I can't. I can't give you that.

[13.] Q. Would you care to tell us if Governor Wallgren is among those that you are considering—

THE PRESIDENT. Governor Wallgren would make a fine Secretary, but I can't possibly have two Cabinet officers from the great State of Washington.

Q. Mr. President, that would seem to bar Justice Douglas.

THE PRESIDENT. Well, you draw your own conclusions.

Q. Well, he is a legal resident of Connecticut, though, as I understand it?

THE PRESIDENT. No. He is a legal resident of Washington—lives at Walla Walla.

Q. Who is that?

THE PRESIDENT. Justice Douglas.

Q. I thought his legal residence was Connecticut?

[14.] THE PRESIDENT. Now, wait a minute, I want to show you something I think you will enjoy. Lieutenant General Richardson showed me some GI drawings that are rather unusual, due to the fact that they are drawn apparently by artists who

believe in an infinite ability for taking pains. They are not "dogs." [*Showing some large drawings*] These are soldier drawings that were sent me. They are, I think, most remarkable. I thought maybe you would like to see them. These young artists ought to be complimented, because they do not belong to the "ham and egg" class of artists—[*laughter*]-which—. Look at this—[*indicating*]-don't you think those are wonderful?

Q. Are they all drawn by one man?

THE PRESIDENT. No. Three or four artists represented.

Q. What do you define as "ham and egg," Mr. President?

THE PRESIDENT. What was that? I didn't hear it.

Q. What do you define as "ham and egg" in art?

THE PRESIDENT. These so-called pictures that look as if they had stood off and thrown an egg at them—smeared them—[*laughter*].

These young men don't belong in that class. They still believe that there is—a good deal depends on careful work, and trying to make you see what they intend you to see, and not leave it to your imagination. [*Laughter*]

Q. Mr. President, is there a moral in that—an implied—

THE PRESIDENT. Draw your own conclusions. [*More laughter*] I believe in infinite taking of pains in anything you try to do.

Q. May we quote that, sir?

THE PRESIDENT. Yes.

[15.] Q. There is still confusion in my mind. You said you can't have two members of the Cabinet from one State—

THE PRESIDENT. I didn't say I couldn't have. I said I didn't think I should have.

Q. You said that Douglas is a legal resident of Washington?

THE PRESIDENT. That's right.

Q. Mr. President, that has added up to four—twice now. [*Laughter*]

Q. Does that—

THE PRESIDENT. Shall we start over? I say, shall we start over?

Q. Does that exclude Douglas?

THE PRESIDENT. No. It does not exclude Mon Wallgren, either.

Q. You wouldn't do something you shouldn't, would you?

Q. You said you discussed it with Justice Douglas?

THE PRESIDENT. That's right.

Q. Were you aware then that he was from Washington?

THE PRESIDENT. Oh yes. I know all about Justice Douglas. [*Laughter*] He is a friend of mine—for a long time.

Q. When you discussed it with him, were you discussing the position for Douglas or for someone else?

THE PRESIDENT. I will answer that question later.

Q. The implication is that Mr. Schwellenbach is leaving?

THE PRESIDENT. Mr. Schwellenbach is going to stay Secretary of Labor. Mr. Anderson is going to stay Secretary of Agriculture. That is definite. Just so long as they want to stay.

Q. Mr. President, if Mr. Douglas came into your Cabinet, that might give Mr. Schwellenbach an opportunity to go somewhere else he would like to go, though, wouldn't it, sir?

THE PRESIDENT. Well, let's discuss that when that happens, if it does.

[16.] Q. Mr. President, in your budget there is estimated \$27 billion Internal Revenue, and \$4 billion in Miscellaneous Receipts. Now I was wondering, how are you going to figure on the returns from surplus property? It looks like that is a very small

return next year for all this surplus property to be disposed of.

THE PRESIDENT. Well, we will have to take the returns from surplus property for whatever it brings. We made the best estimate we were capable of making on that.

Q. Apparently only bring about a billion and a half to two billion dollars.

THE PRESIDENT. Well, your guess is as good as anybody's. From all the information we could get, we thought that was a very good guess.

Q. Supposed to have about eighty to a hundred billion dollars' worth of surplus property?

THE PRESIDENT. Well, let's wait and see what it brings, and I will answer your question.

[17.] Q. Mr. President, I have been asked to ask you if you intervened in getting this new Hungarian Cardinal¹—whose name I am unable to pronounce—out of Russia and down to Rome in an American airplane?

THE PRESIDENT. No, I did not.

[18.] Q. Mr. President, how do you feel about the economic conditions of the country right now?

THE PRESIDENT. Well, I have always been optimistic, and I still am.

[19.] Q. Mr. President, there have been some rumors floating around town that there are important things Mr. Churchill discussed with you. Was the question of American and British foreign policy toward Russia—did that subject come up?

THE PRESIDENT. It did not. The things that Mr. Churchill and I discussed were the speech—the speech and the trip to Missouri.

Q. He is not going to touch on that question in his speech?

THE PRESIDENT. I don't know whether he will or not.

Q. Did Mr. Byrnes's trip down to Florida to see the former Prime Minister have any bearing on that question?

THE PRESIDENT. I don't think so. I did not discuss the matter with Mr. Byrnes.

[20.] Q. Mr. President, the House Military Affairs Committee, the—Chairman May, rather—said that he is going to recommend to you that you make every effort possible to secure the banishment of international conscription, before the committee comes out with a report on a universal military training law. Do you think that that attempt to get peacetime conscription banned internationally is at all feasible?

THE PRESIDENT. No, I do not.

[21.] Q. Mr. President, do you agree that Russia has a moral right to obtain atomic bomb secrets?

THE PRESIDENT. No comment.

[22.] Q. Mr. President, when can we expect the Executive order reconstituting the OES?

THE PRESIDENT. Just as soon as it is ready. It won't be very long.

Q. Any particular reason for the delay?

THE PRESIDENT. None whatever, except that it is a detail that has to be worked out, and it takes a little time. It will be carried out in plenty of time. The Senate has to act on the appointment of Paul Porter before anybody else could take over in the Office.

[23.] Q. Mr. President, do you hear anything on the General Motors situation?

THE PRESIDENT. No.

[24.] Q. Mr. President, did foreign spy activities come up at your meeting with Mr. Attlee last November, when you were talking to him?

THE PRESIDENT. What was that?

Q. Foreign spy activities in this country—

¹ Joseph Mindszenty.

Great Britain and Canada—did that come up when you were talking to Mr. Attlee?

THE PRESIDENT. We discussed atomic energy and not spies.

[25.] Q. Mr. President, in connection with Paul Porter leaving the FCC, do you plan to make another appointment to the FCC?

THE PRESIDENT. Not immediately.

[26.] Q. Mr. President, to pursue that next to the last question a little bit farther, the White House told us that Mr. King did communicate to you the problem that he saw on his hands up there, and you know about the leaks?

THE PRESIDENT. He did. He did that on his trip to Great Britain, before the meeting of the Prime Ministers.

Q. That was prior to the—

THE PRESIDENT. Yes—

Q. —atomic—

THE PRESIDENT. —prior to the atomic meeting.

Q. And at that time, did you initiate any general check in the United States, to make sure that that situation had not extended to this country?

THE PRESIDENT. No, I didn't.

Q. You feel our security measures are adequate?

THE PRESIDENT. They have always been adequate, and I think they still are.

[27.] Q. Mr. President, when do you expect full production and distribution to hit its peak? In other words, reconversion really gets—

THE PRESIDENT. I had expected it to be at it right now. At least, that was my expectation last November. Of course, it depends altogether on contingencies. If everybody's willing to go to work and put in everything, why it will not take very long for that full production peak to be hit.

Q. Has any estimate been made of the date?

THE PRESIDENT. No, no. No estimate has been made now. Just wait and see what works out. If everybody goes back to work as he should, it will be here very quickly.

Reporter: Thank you, Mr. President.

NOTE: President Truman's forty-ninth news conference was held in his office at the White House at 10:35 a.m. on Thursday, February 21, 1946.

42 Remarks to a Delegation From the United Jewish Appeal. *February 25, 1946*

IN THE TRIAL of war criminals at Nuremberg the fact has been established that 5,700,000 Jews perished under the murderous reign of Hitlerism. That crime will be answered in justice.

There are left in Europe 1,500,000 Jews, men, women and children, whom the ordeal has left homeless, hungry, sick, and without assistance. These, too, are victims of the

crime for which retribution will be visited upon the guilty. But neither the dictates of justice nor that love of our fellowman which we are bidden to practice will be satisfied until the needs of these sufferers are met.

NOTE: The President spoke in his office at the White House in connection with the opening of the United Jewish Appeal campaign.

43 The President's News Conference of February 26, 1946

THE PRESIDENT. [1.] I have an announcement or two to make, one of which you seem to have gotten from the Senate. I am making Charles R. Denny, Jr., Acting Chairman of the Federal Communications Commission.

[2.] And I want to issue a short statement about the air conference at Bermuda. I am very well pleased with it; and you will be handed a copy of the release as you go out. [Reading] "The major purpose of the two governments"—this is the last paragraph—"in regard to civil air transport has now been set forth in writing." And the paragraph from the conference is quoted here.

[3.] And I also want to say to you that the Army is doing a right good job. Six million, 300 thousand discharges now, on the 22d of February. In the Navy it must be about a million, three. So that makes over seven million who have been—over seven and a half million who have been discharged since last October.

Q. A million, 300 thousand?

THE PRESIDENT. I think the Navy is about a million, 300 thousand, and Army at 6 million, 300 thousand.

Q. Is this all since V-J Day?

THE PRESIDENT. This is—Oh yes—Oh yes.

Q. Since October?

THE PRESIDENT. In September there had been—well, we'll say in August—by the end of August there had been a little over 500,000 discharged. And now, on the 22d of February, the—6 million, 300 thousand in the Army; and the Navy, I think, is about a million, 300 thousand.

I have this from the President of Harvard University, which I think might help the situation. He, President Eliot of Harvard, speaking of the University, said, "Things

seem to be going fairly well, now that a spirit of pessimism prevails in all the departments." That could apply to the Government, I think.

Q. By a spirit, or *with* a spirit of pessimism?

THE PRESIDENT. Now that a spirit of pessimism prevails in all the departments.

Q. When did he say that, Mr. President?

THE PRESIDENT. Yesterday or the day before. [Laughter] I think he was talking about politics—not the Government.

Mr. Ross: That was some time ago, Mr. President. He said it was Eliot.

THE PRESIDENT. Oh, I have got the wrong President. This was said by President Eliot of Harvard, and somebody said that would apply now.

Q. When was Eliot last President of Harvard?

THE PRESIDENT. Oh, 25 or 30 years ago. [Laughter]

[4.] I have appointed Julius A. Krug to be Secretary of the Interior.

I just wanted to say that I had considered a large number of names, among them Senator O'Mahoney, but I decided that O'Mahoney's usefulness in the Senate should not be interfered with. He has been there for 13 years, and Senator Barkley was very happy that Senator O'Mahoney was going to stay in the Senate.

I think Mr. Krug is an able administrator. He was WPB Administrator here, and he has had a great deal of experience in administrative jobs. And I think he will make an excellent Secretary of the Interior.

He will take office the 15th of March.

Q. The 15th of March?

THE PRESIDENT. Yes.

Q. Mr. President, is that your own personal selection in that case, is it?

THE PRESIDENT. It happens to be, yes. [Laughter]

Q. Mr. President, what is—[more laughter]—what is Krug doing now?

THE PRESIDENT. He has organized an engineering firm of his own in the City of New York, and he is doing a marvelous business.

Q. He is head of the firm?

THE PRESIDENT. I don't know about that, whether he is the head of the firm. He is a member of an engineering firm in New York.

Q. What happens to Oscar Chapman?

THE PRESIDENT. Well, he will still be Assistant Secretary of the Interior.

Q. Still be Assistant?

Q. How many people on your staff were familiar with your selection, up until what hour? [Laughter] I checked them all, that's the reason I want to know.

THE PRESIDENT. Not any.

Q. Tony's¹ practically cross-examining you.

THE PRESIDENT. Well, Tony has got a right to cross-examine me. You know he was confused the last time, and I told him I wasn't. I knew something he didn't.

Q. Did most of them learn for the first time this morning?

THE PRESIDENT. Yes. They all learnt it this morning. [More laughter]

Q. What is Mr. Krug's home State?

THE PRESIDENT. Wisconsin. [More laughter]

[5.] Q. Mr. President, when is the Panama Canal going to be returned to civil administration?

THE PRESIDENT. I can't answer that. I don't know.

[6.] Q. Mr. President, have you had any preview of the speech Mr. Churchill will make next week in—

THE PRESIDENT. No, I have not.

Q. Whatever speech he makes, then, will be made on his own, without—

THE PRESIDENT. That is correct. That's the way it should be. I don't know. After all, he has the greatest command of the English language of anybody in the world.

Q. If he comes out for closer Anglo-American unity, the contention will be that you were familiar with what he will say?

THE PRESIDENT. Well, I am not familiar with what he will say. And I won't be familiar with what he will say. He will be responsible for his speech. That will be made perfectly clear when I introduce him.

[7.] Q. Mr. President, does Mr. Bowles's new job give him general supervisory powers over CPA as well as OPA?

THE PRESIDENT. What's that?

Q. Does Mr. Bowles's new job as Economic Stabilization Director give him general supervisory powers over the Civilian Production Administration as well as OPA?

THE PRESIDENT. No, it does not.

[8.] Q. Mr. President, do you favor one bridge or two bridges, to replace the highway bridge over the Potomac?

THE PRESIDENT. Here in Washington? Still considering that. I went down and took a look at it with the Secretary of the Interior, and I am still considering it. I haven't yet studied the other viewpoint on the subject. [Laughter] But I imagine in the long run I will make a decision on it some day.

Q. Did Mr. Ickes make a recommendation?

THE PRESIDENT. Mr. Ickes? He made a recommendation for one bridge.

[9.] Q. Mr. President, your Cabinet sub-

¹ Ernest B. Vaccaro, Associated Press.

committee on food has been very busy. Secretary Anderson, meanwhile, was saying that we will not meet our food export quotas. Do you expect to issue any more memoranda or directives on that subject?

THE PRESIDENT. We have that under consideration. Now, if it is necessary to issue any more, they will be issued.

[10.] Q. Mr. President, with respect to that bridge, have you had any contact with any other Government or semiofficial sources, like the planners, and the various commissions, art commissions? They have—all of them have varying views on it.

THE PRESIDENT. I was with the Capital Park and Planning Commission at the same time that I was with Secretary Ickes; and then Mr. MacDonald of the Roads has been in and talked to me about it, and there are several other people who are interested in it. I haven't seen the Institute of American Architects yet, but I suppose I will. [Laughter]

Q. Have you seen the District Commissioners on it?

THE PRESIDENT. I haven't seen the District Commissioners—

Q. Was MacDonald for one or two bridges?

THE PRESIDENT. He was for two.

Q. I thought so.

[11.] Q. Mr. President, the Russians last night said—they announced that they had achieved a unified command of their armed forces—

THE PRESIDENT. I congratulate them on it.

Q. Will that have any bearing on our—

THE PRESIDENT. Why should it? We are tending to our own business, and I suppose they will be able to attend to theirs. They have up to date, and so have we.

Q. Did you say you *congratulate* or *congratulated*?

THE PRESIDENT. Congratulate them. I said I do it now. I had no reason to do it previously.

[12.] Q. Could you tell us anything about your 3:30 conference with the Secretary of State and the Secretary of the Treasury?

THE PRESIDENT. It was an administrative matter which interested only the Secretary of State, the Secretary of the Treasury, the Attorney General, and the President.

Q. It has up to this point. If you will let us know, we would be interested. [Laughter]

THE PRESIDENT. I don't think you would.

Q. We were told it might have some bearing on the size of this world commission in Canada, in connection—

THE PRESIDENT. No connection with it whatever. I can say that to you.

Q. Mr. President, you couldn't give us any idea what it was?

THE PRESIDENT. No. It's none of your business. [Laughter]

[13.] Q. Can we carry on the Pauley story into our conference? Is there any change in the—

THE PRESIDENT. None whatever. I answered that last week, and it still stands—still stands.

Q. Mr. President, did you discuss it at lunch at the Capitol today—

THE PRESIDENT. I did not.

Q. —or was it hot tamales only?

THE PRESIDENT. It was chili. It was chili, and then apple pie and coffee. And it was good! [Laughter]

Reporter: Well, thank you, Mr. President.

NOTE: President Truman's fiftieth news conference was held in his office at the White House at 4 p.m. on Tuesday, February 26, 1946.

44 Statement by the President on the Agreement Reached at the Civil Aviation Conference in Bermuda. *February 26, 1946*

I WANT to express my satisfaction with the conclusion of an Air Transport Agreement with the United Kingdom at Bermuda on February eleventh. It is now clear that very difficult problems in specialized technical areas in the relations of the two countries can be worked out separately from the overall financial and trade negotiations which took place during the fall. Under the Bermuda Agreement there will be no control of frequencies, and no control of so-called Fifth Freedom rights on trunk routes operated primarily for through service. It gives to the airline operators the great opportunity of using their initiative and enterprise in developing air transportation over great areas of the world's surface.

Because civil aviation involves not only problems of transportation but security, sovereignty and national prestige problems as well, the joint working out of air transport agreements between nations is a most difficult one. Many countries, naturally desirous of having air transport companies of their own, and with treasuries heavily depleted by their war efforts, have a genuine fear of the type of rate war with which the history of various forms of transportation has been so full. In the Bermuda Agreement the Executive Branch of the United States Gov-

ernment has concurred in a plan for the setting up of machinery which should protect against the type of rate war feared by so many of the countries through whose air space we desire that our airlines have the right to fly. Part of the plan for future rate control will be dependent on the granting of additional powers by the Congress to the Civil Aeronautics Board.

The major purpose of the two Governments in regard to civil air transport has now been set forth in writing and it reads:

"(1) That the two Governments desire to foster and encourage the widest possible distribution of the benefits of air travel for the general good of mankind at the cheapest rates consistent with sound economic principles; and to stimulate international air travel as a means of promoting friendly understanding and good will among peoples and insuring as well the many indirect benefits of this new form of transportation to the common welfare of both countries."

I believe the results of this Conference constitute a very important forward step.

NOTE: The air transport agreement and the Final Act of the Civil Aviation Conference held in Bermuda January 15-February 11, 1946, are published in the U.S. Statutes at Large (60 Stat. 1499).

45 Telegram to Leading Citizens Concerning the Need for a Voluntary Food Conservation Program. *February 27, 1946*

[Released February 27, 1946. Dated February 26, 1946]

I AM SURE you are familiar with the acute need for foodstuffs in the war-torn countries of Europe and Asia. Our national self-respect and our duties as human beings

demand that we do all possible to stop the spread of famine. I have directed the agencies of Government to do everything possible to this end. But Government alone

is not enough. We cannot meet this situation without an aggressive voluntary program on the part of private citizens to reduce food consumption in this country. I am asking you and a very few other public spirited citizens to meet in the East Wing of the White House at three o'clock, Friday afternoon, March first, to work out means for supporting such a voluntary program. Ex-President Hoover has accepted my invitation and will be there. I count on your support.

HARRY S. TRUMAN

NOTE: This is the text of identical telegrams addressed to the following citizens: Sheldon Clark, Vice President, Sinclair Oil Corp.; Justin Miller, President, National Association of Broadcasters; Clarence Francis, Chairman of the Board, General Foods Corp.; Dr. George H. Gallup, Director, American Institute of Public Opinion; Henry R. Luce, Editor of Time and Life magazines; James W. Young, Chairman, Advertising Council, Inc.; Dr. William I. Myers, Cornell University; Chester C. Davis, Washington, D.C.; Eugene Meyer, Publisher of the Washington Post; Anna Lord Strauss, President, National League of Women Voters; Mrs. Emily G. Dickinson, President, General Federation of Women's Clubs; Eric Johnston, President, U.S. Chamber of Commerce.

46 Statement by the President Recommending a Nationwide Voluntary "Share-the-Housing" Program. *February 28, 1946*

THE HOUSING SHORTAGE has become a serious problem throughout the Nation. Thousands of our veterans are finding it impossible to obtain adequate housing for themselves and their families.

In spite of our best efforts to facilitate new construction, the shortage will probably remain acute for some months.

Recognizing that during the war, the churches and synagogues of the Nation have ministered to service men and women in many important ways, and believing that the personal concern of churchmen would aid materially in meeting our urgent housing needs, I recently discussed this matter with representatives of the Catholic, Protestant and Jewish faiths and suggested a nationwide "Share the Housing" effort. The religious leaders have responded with the following definite suggestions, which I in-

dorse most heartily:

1. The organization of a housing committee in every church or synagogue.

2. A thorough canvass of the membership of every church or synagogue to discover available housing facilities.

3. A check-up on veterans in need of housing, using church Honor Rolls as the starting point.

4. Community-wide cooperation in this effort among all religious and civic groups.

Surely no veteran who has served his country faithfully and well should now be left homeless on his return from service. I sincerely hope that every citizen will take this matter to heart and aid this effort in every way possible.

Religion teaches us that we should share. By sharing our housing we can render a practical and personal service to our veterans.

47 Special Message to the Congress Transmitting a Statement on Foreign Loan Policy. *March 1, 1946*

To the Congress of the United States:

On July 31, 1945, the Bretton Woods Agreements Act became law. In that legislation the Congress established the National Advisory Council on International Monetary and Financial Problems "in order to coordinate the policies and operations of the representatives of the United States on the Fund and the Bank and of all agencies of the Government which make or participate in making foreign loans or which engage in foreign financial, exchange or monetary transactions." The Congress provided that the membership of the Council should consist of the Secretary of the Treasury, as Chairman, the Secretary of State, the Secretary of Commerce, the Chairman of the Board of Governors of the Federal Reserve System, and the Chairman of the Board of Directors of the Export-Import Bank of Washington.

On August 9, 1945, the Secretary of the Treasury submitted for my approval a proposal as to the manner in which the National Advisory Council should proceed in performing the task assigned it. The essence of this proposal is contained in the following excerpt from the communication which the Secretary of the Treasury sent to me:

"As you can see from the attached memorandum, the United States Government is now extending financial assistance to foreign governments through a large number of programs, administered by different departments and agencies, and with different procedures for inter-agency consultation. In order for the Council to carry out the functions assigned to it, it seems to me necessary that the Council should have a picture of the over-all program of financial transactions

which it is proposed to carry out in the next period. On such a basis, we can make decisions in a rational way, strike the best bargains with foreign countries, and save money for the taxpayer."

On August 10, 1945, I expressed my complete approval of the proposal and requested the Council to proceed along the lines indicated. Promptly thereafter the Council completed its organization and commenced to function without delay. Since that time the Council has labored unremittingly in the performance of its duties.

I have now received from the National Advisory Council a document containing significant conclusions concerning the entire problem of foreign lending. The Council in submitting the document to me stated:

"At an early date the Council undertook to consider proposals and applications for foreign loans, and to study the problems and broad implications of foreign lending. The statement which is now submitted to you is an outgrowth of these activities of the Council and represents our present views. The Council will continue to study these matters and will report further to you as the rapidly changing conditions at home and abroad may require."

This document, which is based upon the careful study and direct experience of the body established by the Congress to coordinate the foreign financial activities of this Government, I now transmit to the Congress for its information and consideration. The document is attached hereto.

I fully endorse the recommendations of the National Advisory Council. Furthermore, I wish to emphasize that in my judgment the successful execution of this policy,

including the implementation of the Financial Agreement with the United Kingdom, which I transmitted to the Congress on January 30, 1946, is of basic importance in the attainment of the objectives of the economic foreign policy of the United States. The international economic cooperation which is the keynote of our economic foreign policy must accompany international political cooperation, and we must achieve both if world peace is to be enduring.

The statement of the National Advisory

Council concerning foreign loans reaches the conclusion that the Export-Import Bank will require during the next fiscal year additional lending authority of \$1¼ billion. I endorse this conclusion and at a later date I will discuss further with the Congress the need of appropriate legislation.

HARRY S. TRUMAN

NOTE: The National Advisory Council document, dated February 21 and released with the President's message, is published in House Document 489 (79th Cong., 2d sess.).

48 Letter to the Speaker of the House of Representatives Concerning Measures To Stimulate Veterans Housing Construction.

March 1, 1946

My dear Mr. Speaker:

The House of Representatives is now considering a bill of supreme importance to make it possible for veterans and their families to move out of trailers and temporary shacks and overcrowded dwellings into decent homes within their means—the kind of homes they fought and risked their lives to defend.

Everybody concerned with this problem—home builders, lenders, workers and local officials—agree unanimously that the first indispensable step to provide these homes is the breaking of materials bottlenecks and the expediting of the free flow of building materials.

At the very heart of this materials effort is the plan proposed by the Housing Expediter and approved by me to make premium payments in selected cases to producers to increase the supply of materials. The National Association of Home Builders, representing 30,000 builders and meeting this week in Chicago, has endorsed this necessity for premium payments.

These premium payments cannot be made available without immediate legislation along the lines of an amendment which I am informed has been prepared for introduction. It is for the Congress to decide whether or not it wishes to adopt this premium payment amendment. But I would be shirking my responsibility as Chief Executive if I did not make it transparently plain that, without this authorization for premium payments, the facilities do not exist within the administrative branch of the Government to make these premium payments, or otherwise to stimulate sufficiently the flow of building materials for moderate and low-priced homes for veterans. I am, therefore, bound to state the simple logical deduction of fact that the defeat of this premium payment amendment would defeat the hopes and transgress the rights of ever-increasing hundreds of thousands of veterans and their families whose housing conditions are now deplorable and are becoming increasingly acute.

This issue on premium payments is not

drawn by me; it is drawn by the inescapable facts of the case.

Every Member of the Congress should know these facts when the vote is taken.

This is not, Mr. Speaker, a party issue. It is an American issue.

I feel bound to add that I deem it necessary also to authorize priority controls and allocations for veterans housing, and to adopt the amendment which I have learned has

been prepared relating to price ceilings on existing homes.

Sincerely,

HARRY S. TRUMAN

NOTE: On May 22 the President approved the Veterans' Emergency Housing Act of 1946, "An Act to expedite the availability of housing for veterans of World War II by expediting the production and allocation of materials for housing purposes and by curbing excessive pricing of new housing, and for other purposes" (Public Law 388, 79th Cong., 60 Stat. 207). Section 11 of the act deals with premium payments.

49 Remarks to Members of the Conference Called To Develop a Food Conservation Program. *March 1, 1946*

I APPRECIATE very much your being here today. We are in a very serious condition, so far as world food consumption is concerned. I sincerely believe that with your advice and your help we will be able to work this program out, so that the people who are now on the verge of starvation may live through the next year.

It is the most important meeting I think we have held in the White House since I have been the President.

I particularly want to thank Mr. Hoover, and the Secretary of Agriculture and the Secretary of Commerce, and each one of you individually, for coming here today to help on this program.

Thank you very much.

NOTE: The President spoke in the Conference Room in the East Wing of the White House at 3:15 p.m. The remarks of President Hoover, Secretary Anderson, and Secretary Wallace were also released.

For a telegram inviting leading citizens to attend the conference, see Item 45.

50 Radio Remarks Opening the Red Cross War Fund Drive. *March 1, 1946*

[Broadcast from the White House at 9:55 p.m.]

My Fellow Americans:

The American Red Cross is so close to the hearts of us all that I need not even repeat it.

First, I wish to pay a personal tribute to the three million patriotic men and women who form this year's army of Red Cross fund campaign solicitors. These volunteers are busy people—people who shoulder many other community responsibilities. Yet they

somehow find the time to get the really worthwhile jobs done well. Whether they call at your office, or your plant, or your home, this month, I trust that you will give them the welcome and encouragement they deserve.

Secondly, I call your attention once more to the vital role of the American Red Cross in this first year of peace. The war is not over for the Red Cross. Wherever our oc-

cupation forces are stationed, this agency, with its many overseas clubs, provides morale-building comfort and good cheer and remains as an indispensable link with home.

No, the war is not over for the Red Cross—nor is it over for our men who lie sick and wounded in Army and Navy hospitals here at home. For these men, Red Cross workers ease the tedious hours of convalescence by providing entertainment, comfort, and assistance with their personal and family problems. In short, the Red Cross relieves anxieties—makes the clock tick faster—for thousands of our casualties still bedridden or in wheelchairs.

Although less dramatic, Red Cross service to our war veterans is one of the organization's greatest contributions of today. At separation centers throughout the Nation, field directors are devoting endless hours to counseling servicemen and helping them apply for governmental benefits. In their

home communities, even greater numbers of ex-servicemen are being helped to solve their myriad problems of readjustment to civilian life.

In addition to all this, is the aid the Red Cross gives to countless thousands of poverty-stricken people in war-devastated countries. To them the merciful hands of the Red Cross reach across the sea with milk for undernourished children, warm garments, shoes, and medical supplies. Thus is shown again the eager desire of the American people to lessen the tragic effects of global war.

When we add to these things the normal domestic activities of the Red Cross, we understand clearly why this agency is so close to the hearts of the American people.

With true American generosity, let us exceed this Red Cross campaign goal. As President of the United States, I urge you, my fellow Americans, to support this noble cause to the utmost of your ability.

51 Statement by the President Upon Receiving a Resolution Endorsing the British Loan Agreement. *March 4, 1946*

I AM DELIGHTED to know that this policy has the approval of the Board.

Before the war, the British people were the largest single foreign customer for American goods. They bought our surplus cotton and wheat, tobacco and fruits, and our manufactured products in huge quantities.

During the war, Britain because of lack of dollars was forced to restrict trade mainly to the Empire and to countries tied to the pound sterling. Now that the war is over, we want to do business with Britain and Britain wants to do business with us. With this loan Britain will be able and has agreed to abolish barriers that block our mutual trade.

This agreement is good business—good business for the industries of America, good business for our farmers, and good business for our workers.

Foreign trade is vitally necessary to an expanding American economy. Our system cannot survive in a contracting economy. The British loan agreement is an important step in rebuilding foreign trade and in creating jobs in America.

The alternative to the British loan is trade warfare between nations. Peace can be built only on a foundation of world economic cooperation and stability. The British loan is a cornerstone in the world's structure of peace.

NOTE: This statement is part of a White House release making public the resolution of the Advisory Board of the Office of War Mobilization and Reconversion endorsing the proposed agreement. The resolution stated that the Board saw in the agreement a major opportunity, through expanded world trade, to stimulate worldwide production, employ-

ment, and markets, which were essential to a stable and prosperous postwar economy and to world peace itself. The resolution, signed by O. Max Gardner, Chairman, and by the members of the Board, was transmitted by John W. Snyder, Director of War Mobilization and Reconversion.

52 Address in Columbus at a Conference of the Federal Council of Churches. *March 6, 1946*

Friends of the Federal Council of Churches of Christ:

I like to consider this conference, to which you have so kindly invited me, as one which represents no one particular sect or creed, but rather as one which represents the spirit of the worship of God. We are a people who worship God in different ways. But we are all bound together in a single unity—the unity of individual freedom in a democracy.

We have just come through a decade in which forces of evil in various parts of the world have been lined up in a bitter fight to banish from the face of the earth both these ideals—religion and democracy. For these forces of evil have long realized that both religion and democracy are founded on one basic principle, the worth and dignity of the individual man and woman. Dictatorship, on the other hand, has always rejected that principle. Dictatorship, by whatever name, is founded on the doctrine that the individual amounts to nothing; that the State is the only thing that counts; and that men and women and children were put on earth solely for the purpose of serving the State.

In that long struggle between these two doctrines, the cause of decency and righteousness has been victorious. The right of every human being to live in dignity and freedom, the right to worship his God in his own way, the right to fix his own relationship to his

fellow men and to his Creator—these again have been saved for mankind.

The fight to preserve these rights was hard-won. The victory took a toll of human life and treasure so large that it should bring home to us forever, how precious, how invaluable, is our liberty which we had just begun to take for granted.

Now that we have preserved our freedom of conscience and religion, our right to live by a decent moral and spiritual code of our own choosing, let us make full use of that freedom. Let us make use of it to save a world which is beset by so many threats of new conflicts, new terror, and new destruction.

In our relations abroad and in our economy at home, forces of selfishness and greed and intolerance are again at work. They create situations which call for hard decisions, for forthrightness, for courage and determination. But above everything else, they call for one thing, without which we are lost. They call for a moral and spiritual awakening in the life of the individual and in the councils of the world.

The last 5 years have produced many awesome discoveries in material things. But it has been truthfully said that the greatest discoveries of the future will be in the realm of the spirit. There is no problem on this earth tough enough to withstand the flame of a genuine renewal of religious faith. And

some of the problems of today will yield to nothing less than that kind of revival.

If the civilized world as we know it today is to survive, the gigantic power which man has acquired through atomic energy must be matched by spiritual strength of greater magnitude. All mankind now stands in the doorway to destruction—or upon the threshold of the greatest age in history. And I prefer to face that great age. Only a high moral standard can master this new power of the universe, and develop it for the common good.

When the sages and the scientists, the philosophers and the statesman, have all exhausted their studies of atomic energy, one solution and only one solution will remain—the substitution of decency and reason and brotherhood for the rule of force in the government of man.

If men and nations would but live by the precepts of the ancient prophets and the teachings of the Sermon on the Mount, problems which now seem so difficult would soon disappear.

That is the great task for you teachers of religious faith. This is a supreme opportunity for the Church to continue to fulfill its mission on earth. The Protestant Church, the Catholic Church, and the Jewish Synagogue—bound together in the American unity of brotherhood—must provide the shock forces to accomplish this moral and spiritual awakening. No other agency can do it. Unless it is done, we are headed for the disaster we would deserve. Oh for an Isaiah or a Saint Paul to reawaken this sick world to its moral responsibilities! I may be facing that Isaiah or that Saint Paul right now. I hope it is true.

The need for this moral awakening applies to all men and women everywhere, but it applies particularly to the youth of today from whom the leadership of tomorrow will

come. The aftermath of a major war always includes an increase of juvenile delinquency. Sometimes it is the fault of the boys and girls. More often it is the result of everything that is abnormal in war—including the absence of fathers and mothers in the armed forces or in business or in war industries.

We shall always be grateful to the women of America, who have performed such an outstanding service to our country during the war. In some cases, however, this patriotic devotion to the national interest has resulted in unavoidable neglect of the children. Smaller children were taken care of through the help of the Government in child-care centers. But this could not be done in the case of older children. We are now paying the social penalties for failing to provide adequate supervision and guidance for many of our children during their formative years.

Whatever the cause, the need is now pressing and unyielding. The younger generation of today yearns for moral uplift. To the parents of the Nation—and to you of the Churches of God—has come the responsibility of helping them on to the right path. We must help them on to the right path. That is the greatest job you can do for America today.

And one of the ways we can all help not only the youth of the Nation but all men and women is by the provision of decent homes. To make up for the lag in home building during the years of the war, this country has embarked on the most ambitious civilian housing program in our history. Every possible resource of Government will be used to reach our goal of 2,700,000 low cost homes within the next 2 years. Nowhere can the influence of deep religious faith and ethical living be more adequately felt than in the homes of the Nation. The spiritual welfare of our people of tomorrow

is going to depend on the kind of home life which our Nation has today.

That is why it is so important that all churches throughout America cooperate in the "National Share the Home" effort. If each congregation of the 250,000 churches and synagogues in this country would open their spare rooms to only four veterans, one million veterans and their families could receive temporary shelter until new houses are available.

Nothing could be more helpful in reaching the goal of a decent home for every American—and by that I mean Americans of all races and religions and of all income groups—than the active cooperation and inspiration of the churches of the Nation. By working in your local communities where the primary job and responsibility lie, you can help make this program the success which it must be. For home life reflects the Nation's life. It must conform to an ever-rising standard.

To raise that standard should be, and is, the constant aim of your Government and the underlying basis of its policies. It would make the effort so much easier if people and nations would apply some of the principles of social justice and ethical standards which have come down to us from Biblical times. All the questions which now beset us in strikes and wages and working conditions would be so much simpler if men and women were willing to apply the principles of the Golden Rule. Do as you would be done by. Consider the gleam in your own eye and pay less attention to the mote in your brother's.

If we really believed in the Brotherhood of Man, it would not be necessary to pass a Fair Employment Practices Act.

If certain interests were not so greedy for gold, there would be less pressure and lobbying to induce the Congress to allow the

Price Control Act to expire, or to keep down minimum wages, or to permit further concentration of economic power.

A truly religious fervor among our people would go a long way toward obtaining a national health program, a national housing program, a national education program, and an extended and improved social security program.

As among men, so among nations—nothing will do more to maintain the peace of the world than the rigorous application of the principles of our ancient religion.

We have tried to write into the Charter of the United Nations the essence of religion. The end of aggression, the maintenance of peace, the promotion of social justice and individual rights and freedoms, the substitution of reason and justice for tyranny and war, the protection of the small and weak nations—by these principles the United Nations have laid the framework of the Charter on the sound rock of religious principles.

The United States expects to support that Charter. It expects to defend that Charter. It expects to expand and perfect that Charter. And we are confident that all the other United Nations expect to do the same.

In the crisis of global war the common peoples of all the world became bound together in a great fraternity. It was dedicated to resistance against aggression and determination to overcome the tyrants and dictators who sought to enslave. The resources of all the United Nations were pooled into one fund of power. Weapons, supplies, ammunition, equipment, ships, food—the wealth and manpower of each were dedicated to the common good of all.

Now that victory has come, that has stopped. But throughout the world there are now millions and millions of men, women, and children who still look to the

rich and powerful nations of the world for help—principally they look to the people of the United States for help. They look to us for help—not to fight an enemy, nor help for luxuries and extravagances—but just help to keep themselves alive, help in the form of food and clothing, the barest necessities of life. Of course we cannot feed them all. But we can go a long way toward doing it, if we want to cooperate and do it.

As your President, I appeal to you again—and to all Americans everywhere—to prove your faith and your belief in the teachings of God by doing your share to save the starving millions in Europe, in Asia, in Africa. Share your food by eating less, and prevent millions from dying of starvation. Reduce your abundance so that others may have a crust of bread. In short, prove yourselves worthy of the liberty and dignity which you have preserved on this earth, by helping those less fortunate who have been starved by the dictators for so many long years and who still starve even in liberation.

Ours should be a continuous thanksgiving

for the fact of victory and for the blessings which are still with us in this land. The brave men and valiant women who made this possible under God will inspire us to face our new problems with resolution. They are problems which call for the best in us. As long as we remain true to the spirit of these men and women, to the religious faith which carried them to victory we shall not fail.

We have this America not because we are of a particular faith, not because our ancestors sailed from a particular foreign port. We have our America because of our common aspiration to remain free and our determined purpose to achieve for ourselves, and for our children, a more abundant life in keeping with our highest ideals.

Let us determine to carry on in that same spirit—in a spirit of tolerance, and understanding for all men and for all nations—in the spirit of God and religious unity.

NOTE: The President spoke at the Deshler-Wallick Hotel in Columbus at 12 noon. The address was carried on a nationwide radio broadcast.

53 The President's News Conference of

March 8, 1946

THE PRESIDENT. [1.] The factfinding board on the threatened railroad strike was appointed this morning: Judge Leif Erickson of the Montana Supreme Court; Frank M. Swacker, lawyer at 120 Broadway, New York City; and Gordon S. Watkins, Department of Economics, University of California. That is a pretty even geographical distribution.

[2.] I want to make a comment on two strike settlements, which I think deserve comment; that is, the rubber and the telephone strike settlements, settled strictly on a collective bargaining basis, and satisfac-

torily settled for both sides, without any ballyhoo or unnecessary conversation. There have been hundreds of such settlements which have received no notice. Those settlements were made by CIO unions, and A.F. of L. unions, and independent unions. And it is too bad that the people who do the right thing can't get just as much publicity as those who are always running for headlines to settle things in the newspapers.

Q. Mr. President, in that connection, do you have any comment on the General Motors situation?

THE PRESIDENT. I have no comment.

They had the same right to collective bargaining that the rest of these people have had.

Q. Have you any comment on the fact-finding board's decision? Do you still think it could be settled on that basis?

THE PRESIDENT. That has always been my opinion.

Q. In that connection, Mr. President, I believe the Detroit City Council yesterday asked if you would intervene. Is there any answer to that yet?

THE PRESIDENT. I will *not* intervene. That is the answer.

Q. Mr. President, in connection with the steel settlement, is it true that the fabricating end of the industry tends to follow the pattern of basic steel?

THE PRESIDENT. Well, I thought maybe you might ask me that question, so I hunted up that question that I made at the time those gentlemen were in here, and I will just read it to you.

This statement was issued by Mr. Ross: "The President said his recommendation for an 18½-cent-an-hour wage increase applied only to the basic steel industry. The President stated he assumed other settlements would be made through negotiations, expressing the hope that the men on strike in those seven hundred companies would already be back at work as soon as possible."

Now the union officials have claimed that I made certain commitments, and the men who do the hiring—management has claimed that I have made certain commitments; but that is the only commitment that was made. It was settled on basic steel, with the hope that negotiations would be followed through on the others.

There have always been a number of fabricators who have followed the pattern of basic steel, and there is no reason why they shouldn't do it, but there are certain others

who have negotiated their own wage program, even after basic steel was settled, and there is no reason why they shouldn't go ahead with their negotiations.

[3.] Q. Mr. President, your presence on the stage at Fulton, Mo., has led to some speculation that you endorse the principles of Mr. Churchill's speech. Would you comment on that?

THE PRESIDENT. I didn't know what would be in Mr. Churchill's speech. This is a country of free speech. Mr. Churchill had a perfect right to say what he pleased. I was there as his host in Missouri, because I had told him if he would come over here and give the lecture at that little college, that I would be glad to introduce him.

Q. What is your opinion now of his speech, after you heard it, Mr. President?

THE PRESIDENT. I have no comment.

[4.] Q. Mr. President, Secretary Byrnes said in New York that to be a world power we had to have some form of universal military training. What steps have been taken by the administration to get a bill? It seems to be stalled in the House right now.

THE PRESIDENT. The President has done everything he possibly can do in the matter. I don't know what else I can do. I can't tell the Senate and House what to do. Only in the form of a message, which message I have given to them. I went down there personally and read it to them.

Q. That was in October, and nothing has been done.

THE PRESIDENT. Didn't think it was that late. I thought it was earlier than that.

Q. Your message was in October.

Q. Some time later, General Eisenhower, in talking to Members of Congress, thought it was a—indicated that he thought that universal training was impossible if the draft was continued; that is, you couldn't have the two things at the same time. What about

the conflict between the two? You are still—still——

THE PRESIDENT. I haven't discussed that matter with General Eisenhower. I don't know what his views are. If he made that statement to the Congress, that is evidently what he thinks, but I haven't discussed it with him.

[5.] Q. Mr. President, are you familiar with how long the Combined Chiefs of Staff, representing the United States and Britain, intend to continue their planning for whatever they are planning?

THE PRESIDENT. Until the war is officially ended.

Q. Only until then, sir?

THE PRESIDENT. I can't answer that, because we will have to settle that when the time comes.

Q. Would you favor an Anglo-American military alliance after that?

THE PRESIDENT. I will discuss that when the time comes.

[6.] Q. Mr. President, referring to the labor situation, can you tell us anything about your conference with John Lewis and Mr. Hutcheson?

THE PRESIDENT. I had a very pleasant conference with Mr. Lewis and Mr. Hutcheson. I have no comment to make on the conversations. That was between the President and those gentlemen.

[7.] Q. Mr. President, can you clear up some confusion, whether "Cap" Krug is going to administer all the other jobs Ickes had, or redistribute some of them among other individuals?

THE PRESIDENT. I will have to attend to that on the reorganization plan which is now in progress, under the new law. Krug will take over exactly where Mr. Ickes left off.

Q. Is that temporary, applying to petroleum, coal, and everything else?

THE PRESIDENT. He will have everything that was assigned to Mr. Ickes.

[8.] Q. Mr. President, do you expect Mr. Pauley to withdraw his request for——

THE PRESIDENT. I have made four statements on Mr. Pauley. I still stick to the four of those statements.

[9.] Q. Mr. President, will you ask a continuance of the draft?

THE PRESIDENT. Yes.

[10.] Q. Mr. President, do you recall whether the subject of return of, or the handing over of the Turkish provinces of Kars and Ardahan to Russia, ever came up at Potsdam?

THE PRESIDENT. Ask that question again. I didn't hear it all.

Q. I wonder, sir, if you would recall if the matter of handing over the Turkish provinces of Kars and Ardahan to Russia ever came up at Potsdam?

THE PRESIDENT. No, it did not.

[11.] Q. Mr. President, do you have any plans, if Russia declines to withdraw from Iran?

THE PRESIDENT. That is a matter that will be handled when it comes up.

Q. If Russian refuses to withdraw, Mr. President, do you think that that means that the United Nations Organization is likely to collapse?

THE PRESIDENT. No, I do not. The United Nations Organization is not going to collapse. We are not going to let it collapse.

Q. Do you mean, sir, then, that you favor the other nations going ahead with it, even if Russia insists or persists in going down a one-way street on these matters?

THE PRESIDENT. I don't think Russia is going to go down a one-way street.

[12.] Q. Mr. President, there has been some criticism in the press and in congressional circles that the tripartite declaration on Spain is constituting a possibly danger-

ous interference in the domestic affairs of another nation. Would you comment on that?

THE PRESIDENT. No, I would not.

[13.] Q. Mr. President, have you made up your mind, sir, on this full employment board membership?

THE PRESIDENT. No, I haven't. I will announce them when they are ready.

[14.] Q. How about your board to evaluate the atomic tests? Is that made—been prepared yet?

THE PRESIDENT. Yes. I have one acceptance to be received. Then I will announce it.

Q. Mr. President—

Q. That was to be a five-man board?

THE PRESIDENT. Somebody there never asks many questions—give him a chance. What is it? [*Laughter*]

Q. I just didn't hear what the question was. [*More laughter*]

THE PRESIDENT. Jack,¹ give him the question and the answer.

Mr. Romagna [*reading*]: "Question: How about your board to evaluate the atomic tests? Has that been prepared yet? The President: Yes. I have one acceptance to be received. Then I will announce it."

[15.] Q. Mr. President, do you expect to drop in at the U.N.O. Security Council meeting in New York at the end of this month?

THE PRESIDENT. I hope I will be able to do that. I hope I will be able to welcome them to the United States; but I can't make any definite appointments because we never know what the President has to do at this desk.

[16.] Q. Mr. President, the New York Times has a story this morning that Mr. Paul E. Fitzpatrick, who I believe is State

Chairman in New York, has been asked if he would be willing to step into Mr. Hannegan's shoes, in case Mr. Hannegan's health should make him have to retire. Could you give us any comment on that?

THE PRESIDENT. No comment. It is news to me. I never heard of it until I saw it in the paper.

Q. Do you know of any plan for Mr. Hannegan to retire as Chairman?

THE PRESIDENT. I do not.

[17.] Q. Could you tell us anything about Mr. Winant's visit?

THE PRESIDENT. He is coming home to make a report. He hasn't been home for a long time.

Q. Will he go back, sir?

THE PRESIDENT. I can't answer that. It is—that is up to him, I guess.

Q. Mr. President, has he requested any retirement?

THE PRESIDENT. No, he has not.

[18.] Q. Do you know of any plan for General Marshall to replace Mr. Byrnes, who might retire?

THE PRESIDENT. No, I do not. That's another matter I saw in the paper the other day, on my way to Fulton, Mo. It's news to me.

[19.] Q. Mr. President, how long will the national war emergency continue? Will that last until the peace conference will be held, or will it be canceled before then?

THE PRESIDENT. That will depend on conditions. I had hoped that it would be announced at an early date, after hostilities ceased; and I have been doing everything I possibly can to arrive at that situation. Conditions, I hope, will develop so that we can announce it as early as possible. I am not anxious to continue it any longer than is necessary.

[20.] Q. Mr. President, just to clear my thinking, do you—[*laughter*—do you dis-

¹ Jack Romagna, White House Official Reporter.

avow Mr. Churchill's suggested Anglo-American alliance?

THE PRESIDENT. No. I just have no comment to make on it. Only Mr. Churchill is a guest over here. If he wants to make a speech, he has a perfect right to do it, and if I want to go to England and make a speech, I have a perfect right to do it.

Q. Are you, Mr. President?

THE PRESIDENT. No. [*Laughter*]

Q. Are you figuring on going?

THE PRESIDENT. No. I am just using that as an illustration.

[21.] Q. Mr. President, one of the London newspapers a few days ago suggested editorially a new meeting of the Big Three government heads. Is there any possibility of that?

THE PRESIDENT. Not in the immediate future.

Q. You are not discounting it entirely?

THE PRESIDENT. Not entirely. Anybody that wants to come to Washington to visit

the President of the United States will be welcome.

Q. The meeting should be held then?

THE PRESIDENT. That is my opinion.

[22.] Q. Is General Marshall coming home soon for consultations?

THE PRESIDENT. Yes, he will be home very shortly. At my request.

Q. Do you have any—

THE PRESIDENT. And he is going back.

[*Laughter*]

Q. Going back as Ambassador?

THE PRESIDENT. No. He is going back in the same capacity in which he is working, as Special Envoy to China.

[23.] Q. Mr. President, have you decided on a new Ambassador to Brazil?

THE PRESIDENT. No.

Reporter: Thank you, Mr. President.

NOTE: President Truman's fifty-third news conference was held in his office at the White House at 11 a.m. on Friday, March 8, 1946.

54 Citation Accompanying the Medal for Merit Presented to J. Edgar Hoover. *March 8, 1946*

CITATION TO ACCOMPANY THE AWARD OF
THE MEDAL FOR MERIT
TO
J. EDGAR HOOVER

J. EDGAR HOOVER, for exceptionally meritorious conduct in the performance of outstanding services to the United States. A preeminent citizen and public servant, Mr. Hoover has placed his opportunity to serve the citizens of the United States above personal interest. Under his able leadership as Director, the Federal Bureau of Investigation not only has become a powerful in-

strument of law enforcement in peacetime, but throughout the war years safeguarded the internal security of the United States, rendering ineffective espionage and preventing sabotage. Mr. Hoover's devotion to duty and outstanding administrative ability have contributed greatly to the welfare and defense of the Nation.

HARRY S. TRUMAN

NOTE: The presentation was made by the President at the White House at 12:30 p.m. in a joint ceremony also honoring John Monroe Johnson and John J. Pelley (see Items 55 and 56).

55 Citation Accompanying the Medal for Merit Presented to John Monroe Johnson. *March 8, 1946*

CITATION TO ACCOMPANY THE AWARD OF
THE MEDAL FOR MERIT

TO

JOHN MONROE JOHNSON

JOHN MONROE JOHNSON, for exceptionally meritorious conduct in the performance of outstanding services to the United States as Director of the Office of Defense Transportation. His broad experience and understanding of transportation problems were of inestimable value to both the armed forces of the Nation and its transportation agencies, when transportation was more

vital to the war effort than in any previous war. The soundness of his concept of the problem and his policies were of immeasurable assistance to the Nation in satisfactorily handling the movements of personnel and materials, in numbers and volume without parallel in history. His ability, his industry and his untiring devotion to duty were of incalculable benefit to the war effort of the Nation.

HARRY S. TRUMAN

NOTE: The presentation was made by the President at the White House at 12:30 p.m. in a joint ceremony also honoring J. Edgar Hoover and John J. Pelley (see Items 54 and 56).

56 Citation Accompanying the Medal for Merit Presented to John J. Pelley. *March 8, 1946*

CITATION TO ACCOMPANY THE AWARD OF
THE MEDAL FOR MERIT

TO

JOHN J. PELLEY

JOHN J. PELLEY, for exceptionally meritorious conduct in the performance of outstanding services to the United States as President of the Association of American Railroads. Under Mr. Pelley's inspiring and aggressive leadership, the Association of American Railroads throughout the entire emergency period served to unite the efforts of the military establishment and the Nation's principal railroads in the expeditious and efficient movement of unprecedented

freight and passenger traffic. Mr. Pelley has been an unfailing source of wise counsel and advice to the military establishment on all phases of railroad transportation. In the truest sense, he personifies the close cooperation, the untiring energy, and the efficient methods which enabled the Nation's railroads to achieve their outstanding and widely acclaimed success in meeting the domestic transportation requirements of the greatest war in history.

HARRY S. TRUMAN

NOTE: The presentation was made by the President at the White House at 12:30 p.m. in a joint ceremony also honoring J. Edgar Hoover and John Monroe Johnson (see Items 54 and 55).

57 Letter to Senator O'Mahoney Transmitting a Proposed Wool Price Support Program. *March 12, 1946*

[Released March 12, 1946. Dated March 11, 1946]

Dear Senator O'Mahoney:

On January fifth you sent me a memorandum on wool in accordance with a suggestion I had made to you at a conference on the subject. In your memorandum you suggested that I request the interested Agencies of the Government to confer and to prepare a wool program. Such a program has now been prepared and is attached. It represents the considered views of the Administration on the best methods for solving a serious and difficult problem.

Your Committee will, of course, be able to call on the interested Agencies for any desired assistance in your further studies of the wool situation or in drafting appropriate legislation.

I trust that the Congress will find that this proposed wool program constitutes a sound and adequate basis for constructive legislation.

In closing I wish to express my agreement with you that cooperation between the Executive and the Congress is essential to the establishment of an effective wool program.

Sincerely yours,

HARRY S. TRUMAN

[Honorable Joseph C. O'Mahoney, United States Senate, Washington, D.C.]

THE WOOL PROGRAM

At the present time there is a serious world-wide wool situation. The United States Government must develop and carry out a wool program that will adequately safeguard the interests of growers, merchants, and consumers. Such a program

must also be consistent with our general foreign economic policy.

Abroad the war stopped trade between the principal wool producing countries of the Southern Hemisphere and the principal wool consuming countries on the Continent of Europe and in Asia. This has resulted in the accumulation of large stocks of raw wool in foreign countries. The distribution of these accumulated stocks and of future clips will be retarded until transportation, coal mining, manufacturing, and international trade can be rehabilitated, despite the great consumer need for wool textiles and clothing. In view of these facts, the Governments of Great Britain, Australia, New Zealand, and South Africa have formed an agency called the Inter-Governmental Joint Wool Organization for the two-fold purpose of protecting prices to producers in Empire countries and of disposing of the accumulated surplus of Empire wool. It is said that this agency will be prepared to operate for a period of ten years, or longer if necessary, to complete the liquidation of these stocks. While the Joint Wool Organization is in operation it is understood that wool produced in these countries will be sold to the established trade in the normal manner as long as prices equal or exceed the stabilization levels established by the Organization. When the wool cannot be sold to the trade at such prices it will be purchased by the Organization at the stabilization prices. It is to the advantage of wool growers in the United States to have wool prices stabilized in the major producing countries abroad. Our growers are somewhat apprehensive, however, lest the desire of the Joint Wool

Organization to speed liquidation might result in undue pressure to sell in the United States.

Domestically, sheep numbers have been reduced 25 percent in the past four years. This reduction has resulted from higher production costs, difficulties in obtaining labor, and the fact that many sheep raisers have found prices of some other farm products to be at more remunerative levels. To alleviate the situation confronting growers, the CCC has been purchasing domestic wool at ceiling prices since April 1943. However, foreign wool is being sold duty-paid in the United States at prices materially below those at which the Corporation is buying from domestic producers. Accordingly, our mills have turned largely to imported wool, and although our consumption in recent years has been the largest in history, the Commodity Credit Corporation has accumulated stocks in excess of one year's domestic production. Since November the Corporation has been selling wool at a loss as a means of moving it into consumption in competition with imported wool.

There is general agreement that this Government must protect the incomes of wool growers on a level comparable with that afforded producers of other agricultural products. The Senate Special Committee to Investigate Production, Transportation, and Marketing of Wool, during its comprehensive hearings, received several alternative proposals for dealing with the wool problem. Basically, the major proposals fall into two groups—those under which the prices of foreign wool in the United States may be raised, either through higher tariffs, import fees or import quotas, and those under which the selling prices of domestic wool would be lowered sufficiently to make domestic wool competitive with duty-paid imported wool. Some plans were also

suggested which would have the effect of spreading the premium paid for domestic wool over the cost of all wool used in the United States so as to make the cost of all wool to domestic mills approximate an average between the support price paid growers for domestic wool and the duty-paid price of imported wool.

From a careful review of the entire problem it appears that it will be more desirable from a national point of view and more dependable for growers to have the Government absorb losses on sales of domestic wool rather than to raise additional trade barriers against imports. This would involve a program essentially similar to that now being carried out by the Commodity Credit Corporation, but on a more permanent basis and with adequate guides to determine the amount of protection to be given growers. When the post-war wool situation becomes better clarified, it may become desirable to change the method of operation from a purchase program so as to remove the Government, insofar as possible, from participation in the wool business. In developing such program it should be kept in mind that the domestic sheep-raising industry has been experiencing a major decline in sheep numbers and therefore care should be exercised not to take action which would place additional handicaps on the industry so long as this decline continues. It would also be advisable to provide for more adequate research and developmental work on wool marketing and utilization and to make it possible for the industry to utilize marketing agreements and orders if that should become necessary in dealing with the wool situation in the future.

Specifically, in view of the large-scale decline of sheep numbers in the U.S. during recent years, the large wool surpluses now hanging over foreign and domestic markets,

and the present and prospective marketing problems confronting wool growers, it would seem desirable for Congress to enact special wool legislation. Such legislation should provide that:

1. The parity price of wool be revised or established at the so-called "comparable" level so that wool parity prices will be on a level equivalent to parity prices for other farm products.

2. The Commodity Credit Corporation support incomes to wool producers through purchases, loans, or payments, at the same minimum percentage of the revised parity prices as it is directed to support prices to producers of basic agricultural commodities. This level will be not less than 90 percent of the revised parity prices until the expiration of the two-year period beginning with the first day of January immediately following the date upon which the President by proclamation, or the Congress by concurrent resolution, declares that hostilities in the present war have terminated.

Because of the continuing decline in sheep numbers, it should be provided: (a) that no reduction shall be made in the general level of support prices from the level at which the Commodity Credit Corporation has agreed to purchase 1946 wool until the year in which the number of sheep kept for breeding purposes on January 1 first stops the decline which has been in effect continuously since 1942, except (1) that specific reductions can be made to equalize the support given on various types and qualities of wool, and (2) that additional discounts could be established to reflect market values of off-quality, inferior, and poorly prepared wool and to discourage unsound marketing practices; and (b) that the reduction for any one year shall not exceed eight percent of the average support price for the previous year.

The legislation should authorize the Commodity Credit Corporation to elect to make payments to producers in lieu of making purchases or loans. In the event of such election, such payments should equal the amount, if any, by which the United States average farm price falls below the estimated average price per pound at which the Corporation would have supported prices under a purchase or loan program.

3. The Commodity Credit Corporation be authorized to continue to sell wool at prices competitive with imported foreign wool, irrespective of other provisions of law, since existing legislation would prohibit any sales at prices below parity.

4. Funds from the gross receipts from duties collected under the customs laws during the period January 1 to December 31, both inclusive, of each calendar year be appropriated and made available to the Commodity Credit Corporation as of each following June 30, in sufficient amount to equal the losses incurred by the Corporation under purchase or loan operations, or the amount of payments made to wool producers in lieu of such purchase or loan operations, for the fiscal year ending on the respective June 30.

5. Marketing agreement and order programs under the Marketing Agreement Act of 1937, as amended, be made applicable to wool on the basis of the comparable, or revised parity, price.

6. A research and developmental program be provided for the purpose of improving the quality of domestic wool and wool marketing practices, and the processing and utilization of wool.

In addition to such legislative program, it would seem desirable to have the Executive agencies undertake the development of an international wool agreement in collaboration with the various interested foreign governments, to provide for coordinated action

and more unified supervision of world wool marketing and price policies from the standpoints of producers, consumers, and international trade. I am asking the Executive agencies to determine the willingness of foreign governments to participate in such undertaking. In the meantime, it is hoped that consultations can be held with foreign wool agencies which will provide for a mutual understanding of objectives and activities in selling policies.

The above program will, in my opinion, afford domestic wool growers the protection and assistance to which they are properly

entitled under this country's general trade and agricultural policies. The program will tend to encourage wool consumption in the United States, and will be consistent with our general foreign economic policy. In accordance with the views you have so frequently expressed, this country also should cooperate with foreign producing and consuming countries in efforts to encourage wool consumption abroad.

NOTE: Senator O'Mahoney served as Chairman of the Senate Special Committee To Investigate Production, Transportation, and Marketing of Wool. His memorandum of January 5 is printed in Senate Document 140 (79th Cong., 2d sess.).

58 Telegram to Leading Citizens Requesting Them To Serve on a National Famine Emergency Council. *March 12, 1946*

AT SUGGESTION of Famine Emergency Committee I am asking you as citizen and leader in a field concerned with food relief crisis to serve as member of National Famine Emergency Council. Council members will be asked to take the lead in their organizations or areas in promoting understanding of the facts about the danger of starvation of people in the war zones abroad and about the necessity to conserve food at home to meet those needs. General meeting of the Council is not to be called but you will be asked to serve in your community and or-

ganization to further objectives of emergency food program, and to submit your suggestions and recommendations. Please wire me promptly of your acceptance. Letter from Chester C. Davis, Chairman of Committee, will follow.

HARRY S. TRUMAN

NOTE: The telegram was sent to a list of 124 citizens. The White House release also announced the appointment of an executive committee of the President's Famine Emergency Committee (see Items 45 and 49) consisting of Chester C. Davis, Eugene Meyer, James W. Young, Anna Lord Strauss, and George H. Gallup.

59 Letter to Edwin W. Pauley Consenting to the Withdrawal of His Nomination. *March 13, 1946*

Dear Ed:

I appreciate the motives which prompt your request for the withdrawal of my nomination of you as Under Secretary of the Navy. When that nomination, unsought by you, was challenged, you met the chal-

lenge with facts and you answered prejudice with a complete and forthright résumé of your career and with an amazing patience under continued misrepresentation.

The disclosure of all the evidence has vindicated my confidence in you. Your own

feeling that there is no immediate antidote to the tactics which have been employed against you is the only reason I would accept for the action you now ask me to take. On that basis alone I consent to the withdrawal of your nomination. Your defense of your good name has been valiant and conclusive.

My faith in your integrity and ability has been strengthened. Both the fight that you have waged, and your request for withdrawal now, have been made in good grace and with true American sportmanship. The Nation will know, in more temperate times, the full worth of your devoted and patriotic services.

With this pledge of full confidence in you I shall reluctantly withdraw your nomination. But I shall do so not without ironical reflections. Your honor, integrity, fidelity to

duty and capacity for public service have been completely established.

All of these considerations and circumstances fully justify the confidence which I reposed in you and which prompted me to call you to the service of the Department of the Navy. So, you stand before your countrymen after vicious and unwarranted attacks with integrity unscathed, with ability unquestioned, with honor unsullied.

I could not take the action which you request without reiterating these convictions with all of the emphasis at my command.

Very sincerely yours,

HARRY S. TRUMAN

[Honorable Edwin W. Pauley, Mayflower Hotel, Washington, D.C.]

NOTE: Mr. Pauley's letter, dated March 13, 1946, was released with the President's reply.

60 Letter to Owen D. Young Approving the Cancellation of the Congressional Awards Dinner. *March 14, 1946*

[Released March 14, 1946. Dated March 13, 1946]

Dear Mr. Young:

I have received your letter of March eighth and am deeply impressed by the common sense and spirit of practical service which prompt your suggestion. I heartily concur in your proposal as Chairman of Collier's Congressional Awards Committee that the dinner scheduled for April sixth be cancelled.

There is real merit in the further suggestion that the sum of five thousand dollars which might have been spent on the dinner, be given for the relief of hungry people.

In taking this step you are setting an excellent example to Washington and to the country as a whole. Many thoughtful persons in the Nation's Capital have commented

unfavorably upon the inconsistency of serving unnecessary mass dinners and thereby consuming precious food supplies which otherwise could be conserved for starving persons all over the world. The country is recognizing our moral obligation to tighten our belts that we may share our abundance with the less privileged. It is our duty, particularly here in Washington, to practice what we preach.

I therefore welcome the opportunity to suggest that the five thousand dollars which would have gone for the dinner be turned over to the American National Red Cross and be earmarked for the relief of hunger.

Very sincerely yours,

HARRY S. TRUMAN

[Honorable Owen D. Young, Chairman, Collier's Congressional Awards Committee, Washington, D.C.]

NOTE: Mr. Young's letter was released with the

President's reply. The White House release of which the letters were a part stated that the Collier's awards would be made on April 11 at the White House (see Item 80).

61 The President's News Conference of *March 14, 1946*

THE PRESIDENT. [1.] I want to make it strong and emphatic, as there still seem to be rumors about that there has been a rift between the Secretary of State and myself, that there is no such rift, never has been one, and never will be, I hope.

[2.] The return of the veterans—the demobilization has reached its peak, and I am issuing a statement today on the re-employment of veterans, and suggesting the job that the U.S. Employment Service has done, and also suggesting to employers, that they list their jobs with the United States Employment Service, so that it will make it much easier to put the veterans to work quickly when they are finally demobilized, and they decide they want to go to work.

The USES has done a remarkable job, up to date, on this putting the people back to work, and I just want to emphasize it.

Now, if you have questions, I'll be—

[3.] Q. Mr. President, these rumors about Secretary Byrnes apparently don't just come from spontaneous combustion—

THE PRESIDENT. Yes they do—yes they do.

Q. Someone is trying to circulate them.

THE PRESIDENT. They have no foundation in fact whatever, and never have had; and I don't know what else they could come from except spontaneous combustion, and somebody just wants to tell a big lie.

[4.] Q. Mr. President, in the last couple of weeks, a number of appeals have been addressed to you to take some action in this labor dispute that shut up a lot of California

fruit and vegetable canneries. Do you plan to do that, in view of the food situation, to end that row?

THE PRESIDENT. The Secretary of Labor is handling that.

Q. It has all been referred to him?

THE PRESIDENT. Yes. It has been referred to him.

Q. Do you know what he is likely to do? Has he discussed his course of action with you?

THE PRESIDENT. No. You can question him on that.

[5.] Q. Mr. President, Mr. Churchill has now announced he is going to renew his world debate with Marshal Stalin on the radio Friday night—

THE PRESIDENT. I saw that in the paper.

Q. Did you have any previous notification of that?

THE PRESIDENT. No. Only what I saw in the paper.

Q. What do you think of the propriety of that debate being conducted from the United States?

THE PRESIDENT. I have nothing to say about it.

[6.] Q. Mr. President, are there any plans afoot for another Big Three meeting?

THE PRESIDENT. No.

[7.] Q. Do you have any comment, Mr. President, on the reports that the Russians are moving heavy—heavy troop movements in Iran?

THE PRESIDENT. I only know about that—

I say I only know about that from what I see in the papers, and I have no comment.

Q. You have no official information?

THE PRESIDENT. No.

Q. Mr. President, Ambassador Harriman is reported to have told the House committee that he thinks Russia is bluffing by these various moves in the world theater. Do you share the Ambassador's views?

THE PRESIDENT. He has a right to his own opinion. I have nothing to say about it.

Q. Did he tell that to you today?

THE PRESIDENT. He did not.

Q. Could you tell us about your conversation with him?

THE PRESIDENT. Just had a very pleasant visit with him, and he expressed his pleasure at being back in the United States, and that he would see me again next week.

Q. Mr. President, have you had any personal communication with Marshal Stalin over the current situation?

THE PRESIDENT. No, I have not.

[8.] Q. Mr. President, General Eisenhower indicated the other afternoon that you might have something to announce to us, as to some decisions reached by you and him during his visit?

THE PRESIDENT. I am not ready to make that announcement yet. I will make one at a later date.

[9.] Q. Mr. President, last week you were asked about the labor application of the 18½ cents to steel fabricators, and you said it applied only to the major steel.

THE PRESIDENT. That's right.

Q. Has anything been done about that, one way or the other?

THE PRESIDENT. No. No. I thought I made that perfectly clear last week, that that is a matter of negotiation between the employers and labor.

[10.] Q. Mr. President, have you any comment on Marshal Stalin's interview pub-

lished in Pravda, criticising Mr. Churchill?

THE PRESIDENT. No, I have not. I can't read Russian, and I don't know whether that is the right translation or not, so I have no comment to make. [Laughter]

[11.] Q. Mr. President, there is a great deal of concern over the international situation in general. Could you say anything about it to relieve that concern?

THE PRESIDENT. I have no comment to make—at this time.

Q. Specifically, Mr. President, could you say whether you think the situation is as fraught with danger as a great many people think it is?

THE PRESIDENT. I do not think it is.

Q. You do not think it is?

Q. May we quote that, Mr. President?

THE PRESIDENT. Yes, you may.

Q. Could we have the quote read to us?

Mr. Romagna [reading]: "I do not think it is."

THE PRESIDENT. The question is: Do I think the situation is as fraught with danger as a great many people think it is; and I said I do not think it is.

[12.] Q. Mr. President, would you approve of the Pace bill, including labor costs and farm parity prices?

THE PRESIDENT. I couldn't understand it?

Q. Would you approve of the Pace bill, or similar bill, to include farm labor costs and parity prices?

THE PRESIDENT. I will take care of that if such a bill comes to my desk.

[13.] Q. Have you selected your membership for your full employment board yet, sir?

THE PRESIDENT. No, I have not.

Q. In that connection, there have been reports around town that Mr. Nathan had been invited to become a part of it, but that he had found his present work so heavy that he could not?

THE PRESIDENT. I have not issued any such invitation to anybody.

[14.] Q. Mr. President, do you think the United Nations Security Council meeting will go on as scheduled?

THE PRESIDENT. Yes, I do. I am sure of it.

Q. With a full attendance?

THE PRESIDENT. I see no reason to believe that there won't be a full attendance. I am sure there will be a full attendance.

Q. Do you intend to go up there?

THE PRESIDENT. I hope it will be possible for me to welcome them to the United States. That depends altogether on conditions here.

Q. Thank you.

[15.] Q. Mr. President, could you tell us what is holding up the appointment of the American representative on the United Nations Atomic Control Commission?

THE PRESIDENT. Yes, I can. I have been hoping that the Congress would legislate on the situation before we made that appointment. If they do not arrive at a conclusion shortly, we will make that appointment.

Q. Is that legislation necessary for such an appointment?

THE PRESIDENT. It is not necessary, but it would clarify the situation to a very great extent, and would give the appointee a better chance to speak for the United States, and for the rest of the world.

Q. How long do you expect to wait before—

THE PRESIDENT. Well, we'll see.

Q. Mr. President, do you have any comment on the proposal of Senator Vandenberg to make some changes in the Atomic Commission Board? Will that be followed out—have you any comment on that?

THE PRESIDENT. I don't think there is a clear understanding by the public, or even in the Congress, on what is meant by civilian control of that board. I have tried to make that perfectly clear in my letter of February

2d, I believe it was, on a—the idea is that the military, of course, has an important part to play and should be consulted, but it is a mistake to believe that only the military can guard the national security. The full responsibility for a balanced and forceful development of atomic energy looking toward the national economic good, national security, and a firm, clear position toward other nations and world peace, should rest with the civilian group directly responsible to the President. Now the President is the Commander in Chief of the Armed Forces of the United States, and is charged with the security of the United States in the first place; and the civilian board under him would in no way hamper the military in their proper function.

Q. Wouldn't the Vandenberg amendment seem to meet this?

THE PRESIDENT. I haven't read the Vandenberg amendment.

Q. Could we put quotes on that?

THE PRESIDENT. Certainly you can. I am on record on it. If you will read the letter that I sent down there February 2d, it covers the situation completely and thoroughly.

[16.] Q. Mr. President, can you tell us who will get the job that Ed Pauley wanted?

THE PRESIDENT. No, I can't.

[17.] Q. Mr. President, I was wondering if you could put in an affirmative way, on this situation about not sharing this international picture fraught with danger —

THE PRESIDENT. Well, would it help you to say I am not alarmed by it?

Q. Yes, sir.

Q. Well, are you optimistic that we will work out of this?

THE PRESIDENT. I am sure we will work out of it.

[18.] Q. Going back to that atomic situation for a moment, Mr. President, when you say that you are for a civilian board, that

implies that you support the position of Senator McMahon? Is that correct?

THE PRESIDENT. If you would read the letter sent down there February 2d, that sets out my position very clearly, and I will furnish you with a copy of it after the conference is over.

[19.] Q. Mr. President, for several weeks there have been a couple of other vacancies open in the top ranks in the Interior Department. Have you any intentions of filling them soon?

THE PRESIDENT. Yes.

Q. Have you discussed them with "Cap" Krug?

THE PRESIDENT. No. I haven't had the opportunity. He is getting himself ready to take over his duties, and I haven't had a chance.

Q. Going to wait until you can talk it over?

THE PRESIDENT. Certainly.

[20.] Q. Mr. President, does your comment about Secretary Byrnes infer that he is not going to resign?

THE PRESIDENT. He has never had any intention of resigning, and he is not going to resign, either on his own initiative or by request.

Q. Mr. President, I am curious—I think we all are—as to why you voluntarily brought that up as the first thing in the press conference? Have you been hearing new rumors yourself?

THE PRESIDENT. Oh, yes. All the gossip columns are full of it. Of course, I never believe the gossip columns, but then a lot of people read them.

Q. How do you know what's in them? [Laughter]

THE PRESIDENT. Somebody presents them to me, usually.

Q. Did you say you never *read* them?

Q. [Interposing] You don't *believe* them.

THE PRESIDENT. I didn't say I didn't *read*, I said I didn't *believe* them.

Q. Excuse me.

THE PRESIDENT. That's all right. That was a good question—[*more laughter*]—anyway.

[21.] Q. Mr. President, the statement given out by Senator McFarland the other day, about your desire that he remain in the Senate, and the fact that Senator Mead saw you yesterday, makes me wonder have you a general policy of asking Senators—Democratic Senators—to remain in the Senate, if these other things do open up to them?

THE PRESIDENT. Yes. And I think it's better for a Senator with experience to remain in the Senate. I was in the Senate 10 years myself. I know that length of service and experience is of—is invaluable to a State, and to its Senators.

Q. Did you make that argument to Senator Mead yesterday, or do you mind telling us?

THE PRESIDENT. Well, we didn't discuss that at all.

Q. You didn't? I thought you discussed New York politics yesterday?

THE PRESIDENT. No. No New York politics were mentioned.

Q. Do you think Senator Mead will run for Governor of New York?

THE PRESIDENT. I don't know.

Q. Do you think that Governor Lehman will run for Senator, in the event that Senator Mead—

THE PRESIDENT. Neither subject has been discussed with me. I am not intending to interfere in New York politics. Now if you ask me about Missouri, I can answer your questions.

Q. Mr. President, since you don't read the gossip columns—

THE PRESIDENT. I didn't say I didn't *read* them, I said I didn't *believe* them.

Q. Oh, I see. Drew Pearson had one today, that Senator Wagner is going to resign. Do you know anything about that?

THE PRESIDENT. You had better ask Senator Wagner. I don't know. As I said, I wouldn't believe it, if I saw it in that column. [Laughter]

Q. As from Missouri, are you supporting Senator Briggs?

THE PRESIDENT. Yes sir, I am. I will answer that straight from the shoulder, Pete.¹

Q. Mr. President, will you take part in the mayoralty election in Kansas City?

THE PRESIDENT. No. I am not a voter in Kansas City. If you will ask me about Independence, I will tell you all about it.

Q. How about Independence? [Laughter]

THE PRESIDENT. I am for the election of the present Mayor. [More laughter]

[22.] Q. Have you had time to study the La Follette-Monroney report on reorganization?

THE PRESIDENT. Yes, I have; and I think it is a good report, and I sincerely hope they will put it into effect. I know something about that situation.

Q. Mr. President, do you specifically favor the proposal of registering all lobbyists in that report?

¹ Raymond P. Brandt of the St. Louis Post-Dispatch.

THE PRESIDENT. Yes, I do. I certainly do.

[23.] Q. Mr. President, do you have any comment on the message sent you by the President of Brazil?

THE PRESIDENT. Well, he didn't send any special message. It was a very friendly letter, which I have answered, expressing his friendship for the United States, and that Brazil would continue to be always friendly to this country. It was just a friendly personal letter from one President to another.

[24.] Q. Mr. President, as an aid to helping the famine situation, are you going to suggest that the country go back on daylight saving?

THE PRESIDENT. Well, if the country as a whole would go back on daylight, it would be a good thing, but I don't like piecemeal daylight saving here and there all over the country. And there was such strong pressure—you know the very first thing the Congress acted on in the program was to set the clock back. So they may want to keep it set back. But I think it ought to be national if we do go on daylight, and not be in a piecemeal manner.

Q. Would you approve it?

THE PRESIDENT. Yes. If the Congress would pass it, I would approve it.

Reporter: Thank you, Mr. President.

Voices: Thank you.

NOTE: President Truman's fifty-fourth news conference was held in his office at the White House at 4 p.m. on Thursday, March 14, 1946.

62 Statement by the President Concerning the Reemployment of Veterans. *March 14, 1946*

DEMOBILIZATION is now reaching its peak and the rapid reemployment of our discharged servicemen is a matter of high

national importance. While some veterans appreciate a brief period of rest after returning home, the success or failure of a

veteran's readjustment to civilian life depends ultimately upon his getting a suitable job—promptly and without unnecessary shopping around.

All employers, as well as the agencies of Government, share responsibility for seeing to it that the veteran's and the displaced war worker's search for employment is not made unnecessarily burdensome.

Of all the Federal agencies concerned with the veteran's problems, the USES has the primary responsibility for expediting his employment. Furthermore, it is the only agency of the Government which has the facilities to speed up the veteran's and the displaced war worker's reemployment. It can eliminate wasteful and unnecessary job hunting. It provides information about and placement on jobs in the home town or across the country. It is a vital reconversion tool.

But the USES cannot create jobs. That is

the function of private employers. The USES can play its vital role in speeding the readjustment of the veteran and the displaced war worker only if employers throughout the Nation list their job openings with local offices of the USES.

Such action is doubly advantageous. It helps job seekers everywhere in the country to apply for the best available job with a minimum of effort; and it helps employers everywhere in the country to interview and employ persons best qualified to fill their job openings.

In the interest of expediting the reemployment process, I urge all employers everywhere to list their job openings with the USES—and to do so without delay. By this means, employers can assist the Government to give to our returning veterans and to displaced war workers the employment service to which they are entitled.

63 Statement by the President Upon Receiving Reports Concerning Enemy Collaborators in the Philippines. *March 16, 1946*

ON OCTOBER 26, 1945, I addressed a directive to the Attorney General requesting that a study be made of the status of those who collaborated with the enemy in the Philippines.

I have received reports from the Attorney General, from the Secretary of War, and from High Commissioner Paul V. McNutt on this subject.

After studying the recommendations submitted to me, I have determined that there is no necessity for any change in our established policy of leaving the disposition of civil collaborationists in the Philippines to the civil authorities there.

Our original policy was formulated late in 1944 on the basis of strong recommendation by General Douglas MacArthur, and

was initiated by the Joint Chiefs of Staff. In support of that policy, there was formed in the Philippines last year a civil People's Court to try collaborationist cases. The study recently made by officials of this government of the manner in which the collaborationist cases have been handled indicates an earnest and well-directed effort to dispose of these cases as speedily as possible.

There are major obstacles such as the unavailability of witnesses, disruption of communications and lack of funds for investigation, transportation and clerical assistance which make it extremely difficult for the People's Court to assure speedy justice. Nevertheless, I have every confidence in the determination of the Philippine people, who have proved beyond all doubt

their devotion to democracy and the United States, to punish those who served the enemy against the interests of the Commonwealth and of the United States. The principle is well established in the Philippines that an act of disloyalty to the United States was an act of disloyalty to the Commonwealth and to the Philippine people. The Philippine courts have accepted this principle.

It is noteworthy that we have not been asked by any group in the Philippines to intervene in the trial of the collaborators. It is my judgment that any move to intervene now would meet with instantaneous objection from even our most loyal supporters in the Islands. Such intervention would serve notice upon the Philippine people, and upon the many millions of people everywhere who are watching the

Philippine experiment, that we do not consider the people of the Philippines capable of bringing these culprits to justice.

The Philippines are scheduled to become an independent republic on July 4 of this year. I am certain that the Philippine people are fully capable of assuming all the duties and obligations of self-government. I believe that these heroic people, out of their own devotion to democratic ideals, will eliminate from their national and political life all those of questionable allegiance to those democratic principles.

In arriving at these conclusions, I am assuring the Philippine people that we have every confidence that they are capable of making their own political decisions without intervention or direction by the United States.

64 Exchange of Messages With President Bierut of Poland Concerning Grain Shipments by UNRRA. *March 18, 1946*

[Released March 18, 1946. Dated March 7, 1946]

I KNOW that you will realize that UNRRA is an international organization. Even though the United States Government contributes 72 percent to the fund, the United States Government does not control or attempt to control the administration of the fund.

I deeply sympathize, however, with the Government of Poland in the particularly difficult situation in which it now finds itself with respect to its future grain supply. Because of this sympathy and because of the desire to be helpful if possible, I have consulted with the Director General of UNRRA as to the matters referred to in your message.

The Government of Poland is undoubtedly aware that the curtailment of supplies

provided to it by the United Nations through UNRRA is in no way attributable to the action of that administration.

The prevailing global scarcity of grain is such that no grain-importing country, however acute its needs, can hope to receive in the immediate future more than a portion of its needs. All countries have been forced to accept drastic cuts because of shortages.

The Director General of UNRRA advises me that the Administration has made every effort to meet the requests of Poland from the tonnages available to it within the allocations made to it. At no time, I am given to understand, has the Administration given an undertaking to supply any specific amount of grain since such an undertaking would be

contrary to the practice of the Administration and meaningless in view of the fact that shipments are controlled entirely by the amount made available by the supplying countries.

The Director General of UNRRA has assured me that he is making every effort to secure supplies to satisfy the needs of all the countries now dependent on UNRRA, but that the outlook is highly critical and supplies will undoubtedly fall far below the level we would all wish to achieve.

HARRY S. TRUMAN

NOTE: President Bierut's message, dated February 20, follows:

The Prime Minister of the Provisional Government of National Unity in Poland has been informed by the Director General of UNRRA of the intended reductions in quotas, particularly grain, for Poland.

This news has taken Poland aback as she is in a particularly difficult situation. Domestic reserves without UNRRA deliveries would force the country to insufficient bread rations even if planting is drastically limited and the population of the areas most strongly damaged by the war is deprived of sup-

plies. Consequently, I am requesting Your Excellency, with the cooperation of UNRRA and the Combined Boards, to assure Poland full realization of the minimum grain delivery program, which was presented by Poland in an amount of 500,000 tons and at any rate to avoid reducing it below the 350,000 tons to which the UNRRA administration gave its agreement.

Poland has not participated in the grain deliveries from UNRRA in the past as these deliveries amounted to some thirty odd thousand tons. The last half year has led to complete exhaustion of domestic reserves so that today only importation, in principle on a larger scale than UNRRA would be prepared to grant, as far as can be judged from information, would relieve an extraordinarily serious situation.

At the same time, I am taking the liberty of calling attention to the extreme urgency of the matter in view of the fact that because of the non-delivery by UNRRA in February of the expected amounts of grain, the supply system now used is being upset and even large and important urban centers are deprived of regular supply.

Considering that Poland's quota of entire UNRRA supplies constitutes only a few percent, my Government hopes that, with the friendly cooperation of Allies, the needs of Poland, which has suffered so painfully from the war and from the pillaging German occupation, will be taken into consideration in sufficient measure.

BOLESŁAW BIERUT

65 Special Message to the Congress Transmitting Report Concerning the United Nations. *March 19, 1946*

To the Congress of the United States:

I transmit herewith for the information of the Congress a copy of the Report on the activities of the American Delegation to the First Part of the First Session of the General Assembly of the United Nations in London, England, January 10-February 14, 1946, submitted by the Secretary of State to the President of the United States under date of March 1, 1946.

The participation of the American representatives in the actual establishment of the institutions provided in the Charter of the United Nations, and in the initial work of

the General Assembly regarding the urgent problems confronting the 51 Members of the United Nations today is vital to all Americans.

The United States supports the Charter. The United States supports the fullest implementation of the principles of the Charter. The United States seeks to achieve the purposes of the Charter. And the United States seeks to perfect the Charter as experience lights the way. To do less than our utmost in this essential effort of peace-loving nations, whatever may be the obstacles and difficulties, would be a be-

trayal of the trust of those who fought to win the opportunity to have a world at last with peace and security, and well-being, for all. To do our utmost will be to give new and full expression to the meaning of "America" to the world.

I commend to the attention of the Congress the enclosed report as constituting the

Record, briefly told, of the part taken by our representatives in the progress so far made by the United Nations, now established and at work.

HARRY S. TRUMAN

NOTE: The report and Secretary Byrnes' transmittal letter of March 1 are printed in House Document 509 (79th Cong., 2d sess.).

66 The President's News Conference of *March 21, 1946*

THE PRESIDENT. [1.] I just have two announcements to make this morning. I am going to reappoint J. Russell Young as Commissioner of the District of Columbia; and Rosel Hyde to the Republican vacancy on the Federal Communications Commission.

And that is all I have to say to you, unless you have some questions to ask.

Q. Mr. President, could Mr. Romagna repeat that second name—

THE PRESIDENT. Rosel—R-o-s-e-l—Hyde—vacancy on the Federal Communications Commission. He has been the Counsel for the FCC.

Q. Do you know where his home is, by any chance?

[*Mr. Ross handed the President the formal nomination.*]

THE PRESIDENT. I d a h o — c o m e s from Idaho. That is R-o-s-e-l H. Hyde.

Q. Will Mr. Denny continue as Acting Chairman?

THE PRESIDENT. Yes.

[2.] Q. Mr. President, there have been reports of some disagreement on the Anglo-American Inquiry Committee. The reports are that Mr. Crum wanted to resign, and that you personally intervened with him to remain. Would you—

THE PRESIDENT. That's the first I have

heard of it. No communication like that between Mr. Crum and me.

[3.] Q. Mr. President, before we get wrapped up in international affairs, can I ask again about this California cannery situation? Has that been brought directly to your personal attention?

THE PRESIDENT. No, it has not. The Secretary of Labor has been handling it.

Q. One of the California Congressmen tried to make a date yesterday to see you, and was told that you didn't want to get mixed up in it, and thought that the Governor of California should settle it.

THE PRESIDENT. Well, I do think so. [*Laughter*]

Q. Good.

[4.] Q. Mr. President, some of our Chilean papers have asked for comment on the visit of this Miss Gabriela Mistral to you on Saturday last, and I believe you told her you wanted to go to Chile. Is that right?

THE PRESIDENT. Yes, I told her I would like to pay a visit to Chile. You know, it was arranged for me to take a South American tour on the 20th of April last year, and conditions developed so I couldn't do it; but she is a very charming person and she made a good impression on me. [*Laughter*]

Q. That would have been an official trip as Vice President—

THE PRESIDENT. Yes.

Q. — of the United States?

[5.] Q. Mr. President, is the United States favorable to a postponement of the Security Council meeting?

THE PRESIDENT. It is not; and the Security Council will not be postponed.

Q. By that, Mr. President, you mean that it will go on, on Monday, and that the United States will press for action at that time on any dispute that is before it?

THE PRESIDENT. That's right.

Q. Will you tell Mr. Gromyko that today when he calls on you at 11?

THE PRESIDENT. If he brings the subject up, I will discuss it with him.

[6.] Q. Mr. President, is there anything you can say about Senator Pepper's speech yesterday?

THE PRESIDENT. No comment.

[7.] Q. Do you agree with Mr. Wallace, sir, that party members who break over the line should be disciplined? [*Laughter*]

THE PRESIDENT [*laughing*]. Mr. Wallace and I have not discussed that subject. But, you know, it is necessary to hold the party in power in line, if you expect to get a program over. No set way has ever been found to do that. Various expedients have been tried, but none of them has been successful to date.

Q. Expect you wouldn't object to the disciplining of Republicans who go over? [*More laughter*]

THE PRESIDENT. If they were joining the progressive Democrats to put over some of my measures, I would be very happy to have them help.

[8.] Q. Mr. President, I have a very little thing I would like to ask about. Why were the carabao heads taken off the Philippine table? [*Laughter*]

THE PRESIDENT. I didn't know they were. That's news to me. [*Laughter*] I didn't know. Maybe somebody was hungry. [*More laughter*]

Q. I think they bumped into them.

THE PRESIDENT. Oh, is that it?

[9.] Q. Mr. President, how do you feel about Governor Lehman's suggestion that we return to wartime food rationing?

THE PRESIDENT. Well, if it becomes absolutely necessary, I wouldn't object to the return to wartime food rationing; but that situation has not yet arrived, and I hope it will not be necessary.

I was very sorry to see Governor Lehman quit, but he has been in ill health ever since I have been here, and wanted to quit immediately after I came in.

[10.] Q. Mr. President, down on the Hill, the Navy asked for about two billion dollars more than you recommended. Any comment?

THE PRESIDENT. Why, the Director of the Budget will appear before the committee and explain that—the whole situation. There is a complete misunderstanding on that subject, and it ought to be entirely cleared up. The statement made by the Navy is not in line with the facts.¹

[11.] Q. Mr. President, have you dis-

¹ A White House release dated March 8 announced the transmittal to the Congress that day of the Navy budget (H. Doc. 501, 79th Cong., 2d sess.), stating that the estimates for naval appropriations for fiscal year 1947 totaled \$3,725 million with an additional \$500 million to be transferred from the naval central procurement fund. The release pointed out that the recommended appropriations together with a recommended appropriation of \$134 million for the Coast Guard would total slightly less than the estimate of \$4,500 million included in the budget submitted to the Congress by the President in January. It noted, however, that net new authority to obligate under the recommendations for the Navy and Coast Guard was about \$234 million above the amount contained for this purpose in the January budget estimate.

cussed foreign affairs at all in your speech Saturday night?

THE PRESIDENT. Only incidentally. That's a political speech. [*Laughter*]

Q. No announcement that you are going to seek nomination in 1948?

THE PRESIDENT. No such announcement will be made.

[12.] Q. Mr. President, do you intend to nominate Ed Pauley for any other job?

THE PRESIDENT. I would like to use Mr. Pauley very much. He still has a job to do on the Reparations Commission. He will continue with that until it is finished. Then I will discuss that with him.

[13.] Q. Are there any plans in the works for another Big Three meeting?

THE PRESIDENT. No. The United Nations Organization is supposed to take over the things that were discussed at Big Three meetings, and I think the United Nations Organization ought to take that responsibility if we are going to have peace in the world. I would be very glad to see any members of the Big Three at any time.

Q. Just don't want a Big Three meeting—

THE PRESIDENT. I am not asking for a Big Three meeting.

[14.] Q. Mr. President, Mr. Lie said yesterday that a message from you would be read at the meeting on Monday. How will that be conveyed?

THE PRESIDENT. Secretary of State.

Q. Secretary of State?

THE PRESIDENT. The Secretary of State. It will be a message of welcome to the United States.

Q. Mr. President, I am puzzled to know what would really happen on Monday if Russia insists on a postponement, and the United States insists against the postponement?

THE PRESIDENT. I think you had better attend the meeting. That's the best way to find out. [*Laughter*]

Reporter: Thank you, Mr. President.

THE PRESIDENT. You're entirely welcome.

NOTE: President Truman's fifty-fifth news conference was held in his office at the White House at 10:30 a.m. on Thursday, March 21, 1946.

67 Address at the Jackson Day Dinner.

March 23, 1946

Mr. Chairman, distinguished guests, fellow Democrats everywhere:

Throughout America this evening, we of the Democratic Party are gathered to reaffirm our faith in the ideals of democracy. We are assembled in some three hundred cities and towns to pledge ourselves again to the oldest and most practical principle in the history of men and nations—the democratic ideal in which America was conceived one hundred and seventy years ago.

On this occasion, we pay honor to the memory of a great American leader, and a

soldier of Democracy—Andrew Jackson.

It was Andrew Jackson who led the good fight for social advancement and political progress against the forces of reaction. As the standard bearer of our party, Jackson made a living reality of the high democratic doctrines for which men of our Nation fought and died—the extension of basic rights to all men. Down through the years these doctrines have remained as guiding principles for the Democratic Party.

More recently there appeared another champion of social justice to revive and

revitalize these principles—Franklin Delano Roosevelt!

If that great humanitarian were among us today, he would bring us a message of courage and faith. He would bring us a challenge to improve the lot of mankind everywhere. He would say, "Fight On"!

We of the Democratic Party must meet that challenge. Even though tremendous progress has been made, we must continue to fight on to attain our basic objectives—human freedom and human security. This is one fight which we must and will win.

Our Democratic Party became great and powerful as a *progressive* party—one pioneering in new social fields and determined to abolish the tragic inequities of the past.

To hold our leadership, and the support of the American people, we must continually advance toward higher goals in keeping with our liberal heritage.

Political parties are the instruments through which democracy works. Our party system remains as one of the massive foundations of our liberty. Only the free play of political opposition can guarantee the survival of civil freedom.

Therefore, upon all of us rests a solemn responsibility to preserve our party system on a sound and wholesome basis. To achieve this, the leadership of all political parties must face the urgent issues frankly, and act solely in accordance with our national welfare.

The Democratic Party has a long and proud record of achievement. But for continued success, we must live in the present and work for the future. As we seek to improve the social order, our policies must remain dynamic, ever sensitive to the impact of changing conditions.

The domestic program of this Administration has been a program to make the system of free enterprise work. The Demo-

cratic Administration has been quick to seek out the danger spots which threaten the system of free enterprise—and remove them. In a very practical sense, it has made enterprise free where it was not free before, and it has encouraged private competition where there was only monopoly.

We are seeking to establish higher standards of living—a new health program, a new educational and social security program, an increased minimum wage, adequate housing, a further development of our natural resources, and above all, a strong and progressive America now and for all time.

Today America is in a period of transition. The aftermath of the war has brought new and pressing problems.

Without question, one of the most serious of these problems is the danger of a disastrous inflation and subsequent depression in our country.

Unless we can keep prices and rents under control until we have normal production flowing from our factories, our economic stability is in peril. But we Americans have every right to be confident of our ability to check inflation and to get production going full blast. During the war, in spite of the greatest inflationary pressures in our history, we learned that the cost of living could be kept in line. We must do as well in time of peace.

Our progress toward that goal has been delayed by technical bottlenecks that must be expected in reconverting our gigantic industrial machine from war to peacetime production.

But it is also being delayed, even more seriously, by doubt, fear, and in some cases just plain selfishness.

To break both the technical and psychological bottlenecks, your administration announced last month a new policy concerning wages and prices. That plan is now going

into operation. I am confident that it will pave the way for the greatest outpouring of consumer goods that the world has ever seen. It gives all of us—businessmen, workers, and farmers—assurance that wage and price adjustments will be made quickly when needed. With the knowledge that all groups in this country are assured a fair and equitable return, we can expedite our vast production job, and still hold the line against runaway rents, soaring prices, and prohibitive business costs.

Whenever conflicts between selfish and national interests arise, our country must come first. We will never permit our national welfare to be wrecked upon the rock of special privilege. Only by dedicating ourselves to the principle of national unity can we keep America strong and free.

And this same basic principle applies to the Democratic Party. As in the Nation at large, there is diversity of opinion among us, but the fundamental principles of the Democratic Party bind us together in a unity of purpose—an inflexible determination that our party shall advance to new and greater achievements.

In order to accomplish this, we must keep faith with the American people. They have given us grave responsibilities. And we Democrats must continue to merit the confidence of our people. This administration will not be found wanting!

Under our party system, political responsibility must rest with the President and with the majority in the Congress. To meet this responsibility, all our members in Congress must cooperate wholeheartedly and help carry out our party platform. Unless this is done, the party program is delayed. I cannot make too strong my plea for party unity and party responsibility!

Under our Democratic leadership we have set a goal of 2,700,000 new homes by the

end of 1947—the greatest home construction program in the history of this or any other country.

We have proposed legislation for this task. That legislation is now before Congress. I have strongly urged its prompt enactment. In this connection, there are two proposed amendments pending to the housing measure which also are of vital importance: One to provide premium payments for expanded production of materials, the other to prevent further speculation in existing housing.

There is constant pressure for an increase in the price of building materials. No one questions that some adjustments—both up and down—are needed, if we are to complete our building program at full speed. But price increases all along the line are clearly out of the question. The price of homes is already too high.

We must stimulate home building by methods which will not send prices skyrocketing far beyond the means of the average citizen. That is the reason for premium payments, which would be used to break bottlenecks.

The price controls we advocate are aimed specifically at halting further inflation in real estate. We urge that the future sale price of any home be made the ceiling price on that home for the duration of the emergency. Under this plan, any home-owner could sell his property in a free and open market. However, such property could not then be resold by a speculator for a higher price resulting in a quick and unearned profit.

The veterans returning from battlefronts all over the world deserve the opportunity to obtain homes—and at reasonable prices. They must not become the victims of speculators. I am satisfied that the American people intend to give them a fair break. I

am convinced that the Veterans Emergency Housing program can and will succeed.

My friends in Congress have got to make a choice. They have got to make up their minds whether they are for the veterans' rights, or whether they are going to bow to the real estate lobby!

The problem of reconversion involves much more than a physical changeover to the production of civilian goods. Our financial policies are also being adapted to meet our new peacetime needs. These policies will help greatly in maintaining high levels of production, employment, and national income.

We are on our way to a balanced budget and further reduction in the public debt. Full production, maximum employment, and a high national income will make this sound program possible. In the end, that is the only way to meet the Government's financial obligations and at the same time lessen the taxpayer's burden.

No phase of economic life has been so completely disrupted as our international economic relations. During the war, the bulk of foreign trade was done by or for governments. Here, too, there must be reconversion. World trade must be restored—and it must be returned to private enterprise.

We need a world in which all countries can do business with each other, and with us. That means giving other countries a chance to reconstruct their war-shattered lands. It also means maintaining orderly exchange arrangements through the cooperation of the United Nations. Already we have made substantial progress. Only just a few days ago, at Savannah, Ga., the International Bank and the International Monetary Fund, created at Bretton Woods, became organized institutions.

The financial policies we are following are adapted to the needs of our time. I feel

confident that they will help make this a strong and sound country in a free and progressive world.

The United States of America has achieved world leadership. For that result the Democratic Party, as the party of enlightened internationalism, is primarily responsible. We must maintain that leadership. And the Democratic Party must continue to lead the way.

A tremendous price has been paid for the peace and security we Americans enjoy tonight. Payment began long ago by our brave allies, who first bore the brunt of all-out aggression. At that time, our isolationists were still debating, and almost defeating, most efforts of the Democratic leaders to improve our national defense.

I say, without any partisan rancor, the cold record clearly reveals that our political opponents voted overwhelmingly against the most essential defense measures. Of course, when subsequent events proved beyond question their shortsightedness, most of our opponents changed their policy.

Yet many Republicans, of all people, then charged the Democratic Administration with failure to prepare more adequately for events which they themselves said would never occur!

Do you remember, back there, when the Republicans called it a "phony" war?

Let us be tolerant, however, of the inconsistencies of man. Let us rather concentrate upon the urgent problems before us.

America must lead the way to a better world order. We seek increasingly close friendship with all nations. We shall strengthen the foundations of the United Nations. Surely, we shall never retreat merely because of the dangers along the road to peace and progress. Despite opposition and all difficulties, we shall attain our goal—a prosperous and a peaceful world.

At home every one of us should subordinate the differences of the past to expedite the progress of the future. Let us devote ourselves to the important problems of peace, and to the promotion of the general welfare. They go hand in hand. Without lasting peace in the world, prosperity and security at home become temporary illusions. And a repetition of such a tragedy as another war must not occur!

The solution of the tremendous social problems of our day should not be a partisan affair. No one class, group, or party can hope to solve all the complicated problems facing this Nation. Their solution requires the wholehearted cooperation of every element within our great country. And America will reach its high destiny only if we remain strongly united in the endless quest for justice.

Above and beyond all political considerations, Americans deeply yearn for a sound and lasting peace. Not merely the future of our political parties is at stake in the coming peace settlements. The future wel-

fare of the country is at stake. The happiness and the lives of your children and mine are at stake. For their sake, for America, for all humanity, let us rededicate ourselves to the noble cause of peace.

As in Jackson's time, we Americans must continue to live courageously. We should emulate the valor and the determination of our forefathers—those brave men who conquered the physical frontiers of this vast continent.

The modern economic, political and social frontiers, which still confront all of us, offer an even greater challenge to our moral stamina and our intellectual integrity. This challenge also must be met. This victory must be won. I am confident that, with Divine guidance, no problem on earth exists that will not yield to the intelligence, courage, and eternal faith of free men.

NOTE: The President spoke at the Mayflower Hotel in Washington at 10:15 p.m. His opening words "Mr. Chairman" referred to Postmaster General Robert E. Hannegan, who also served as chairman of the Democratic National Committee. The address was carried on a nationwide radio broadcast.

68 Letter to Herbert H. Lehman Upon His Resignation as Director General, United Nations Relief and Rehabilitation Administration. *March 25, 1946*

My dear Governor Lehman:

When President Roosevelt asked you to come to Washington in November, 1942, to establish the Office of Foreign Relief and Rehabilitation Operations it had become apparent that relief for the victims of Axis aggression was no less a part of winning the war than was the supplying of men, materiel and leadership for military operations.

Under your guidance during the intervening war years, the practical concept of

mobilizing resources of food, clothing, medicines and other necessities to aid the victims of war was broadened from one of national scope to one of joint responsibility of the United Nations.

As the first Director General of UNRRA you accepted the grave responsibility for this humane task of world-wide proportions. You brought to this task the rich background of your years of selfless service in the fields of philanthropy and of public office as Governor of the State of New York.

Under the trying limitations of supply and distribution imposed by the war, you laid the foundation for the United Nations Relief and Rehabilitation Administration and prepared the structure of international cooperation which now is bringing effective aid to millions of our liberated allies. You gave without stint your time and energy to visit and observe at first hand the areas and peoples liberated by the Allied Armies. You brought home to the people of the United States and our Allies the story of the vast needs which it is our privilege to help meet in order to provide the right and opportunity of men to enjoy the simple elements that make for orderly life.

As supply ships carry to the devastated areas of Europe and Asia the relief goods which UNRRA has sought in every part of the world, the people of the United Nations, no less than those receiving UNRRA aid, will be grateful to you for your part in making possible this collaboration in the interests of lasting peace.

Very sincerely yours,

HARRY S. TRUMAN

[Honorable Herbert H. Lehman, Director General, United Nations Relief and Rehabilitation Administration, Washington, D.C.]

NOTE: Mr. Lehman's resignation was accepted on March 28 by the Council of the United Nations Relief and Rehabilitation Administration at its fourth session at Atlantic City, N.J.

69 Remarks on Presenting the Congressional Medal of Honor to Commander Richard H. O'Kane, USN, and Master Sergeant Charles L. McGaha, USA. *March 27, 1946*

Ladies and gentlemen:

I think I have said on several different occasions that this, in my opinion, is the most pleasant and the most honorable job that a President of the United States has to do, to pin the medals on the heroes who have made the country great.

I have said it time and again, and I will keep on saying it, that I would rather have a Medal of Honor than be President of the United States.

These two men are samples of our fighting men in this late war. They did not, I am sure, when this action was taking place—they were not thinking of any heroic action. They were thinking only of doing their duty. They were thinking only of doing what the situation called for.

Now we have these men back home. We have those who were unfortunate, who came back maimed and crippled. This country

cannot do too much for those men. But these young men who came back sound of wind and limb, are going to go to work for this country in peacetime, just as they worked for it in wartime.

We are on the verge of the greatest age in history. We have eleven million young men who have had this training—the training which caused these heroes to act promptly and rightly in the right place. This training will help to make great citizens, who will do in peacetime for this great Nation what they did for it in wartime.

That is the reason I am not uneasy or alarmed about the future of the United States of America.

We have these young men, made of the same stuff as these two men on whom I have pinned these medals, to see that the country goes on to its destiny of leadership

in the world. The Lord intended us 25 years ago to lead the world to peace. We shirked that duty. He has given it back to us once more, that same duty. We are not going to shirk it this time. We are going to take our place as He intended us to take it. We have won the war, and we

are going to win the peace, too. We have the trained citizens now to help us win it.

Thank you very much.

NOTE: The President read the citations and presented the medals in a ceremony held at 12:30 p.m. on the South Lawn at the White House.

70 The President's News Conference of *March 28, 1946*

THE PRESIDENT. [1.] I want to announce the appointments in the permanent grade of General of the Army, under this new bill which just passed the Congress March 23, of General Marshall, General Douglas MacArthur, and General Eisenhower, and General Henry H. Arnold. Admiral Leahy, Admiral King, Admiral Nimitz, and Admiral Halsey; General Vandegrift, and Admiral Waesche—Watchee, however he pronounces that name. [*Laughter*]

And I am reappointing Claude L. Draper, of Wyoming, to be a member of the Federal Power Commission.

Q. What's his name? Claude L.—

THE PRESIDENT. Claude L. Draper. He is a Republican member of the Federal Power Commission. His term expires, I think, about June. I am sending his name down, and—

Q. Republican what, Mr. President?

THE PRESIDENT. He is a member of the Federal Power Commission. He is now on the Commission. A reappointment.

Q. And what State is he from, sir? Wyoming?

THE PRESIDENT. Wyoming. That's right.

Q. What are these grades—Leahy, King, and Nimitz?

THE PRESIDENT. Fleet Admirals. All four of them are Fleet Admirals. General Van-

degrift is a four-star General.

Q. Waesche, what's he?

THE PRESIDENT. He's Admiral—

Q. Fleet Admiral?

THE PRESIDENT. —a four-star Admiral.

Q. Well, Vandegrift is a four-star General?

THE PRESIDENT. Four-star General.

Q. And Waesche is a four-star Admiral, and the others are five-stars?

THE PRESIDENT. Yes, the others are Fleet Admirals—Generals of the Armies.

Q. Permanent grade for life?

THE PRESIDENT. Permanent grade for life, with all the salary and emoluments that have gone with it during the wartime.

And it creates for the President an elder statesmen organization for national defense. These men will not, under that increase, have to go into any advertising business, or go to work for any airplane companies, or anything else, for their support. That—for once, a Republic, I think, has been fair to the people who have taken it through one of the greatest emergencies in the history of the world.

That's all that I have to announce—

[2.] Q. Mr. President, to clear away any possible doubt, could you tell us whether Secretary Byrnes has your full support and backing, in pressing for immediate Security

Council action on the Iranian question?

THE PRESIDENT. He certainly has, or he wouldn't be doing it.

[3.] Q. Mr. President, in their half-hour discussion with you this afternoon, did Mr. Fitzpatrick and Mr. Flynn of New York State discuss with you the possibility of Senator Mead's candidacy for Governor of New York State?

THE PRESIDENT. They discussed every phase of the New York political situation, and I was very much interested, and was a very careful listener. They did discuss Senator Mead's candidacy for Governor of New York.

Q. What did they say about it?

THE PRESIDENT. They said that he could be elected.

Q. Did they know whether he would run, sir?

THE PRESIDENT. I didn't ask them that.

[4.] Q. Mr. President, it was suggested on the Hill this morning that you call a Big Three conference.

THE PRESIDENT. They have been making that for months, I think. The same answer is the same.

[5.] Q. Mr. President, getting back to the New York political situation again—[laughter]—if I may—

THE PRESIDENT. Go ahead.

Q. —and I don't like to ask what might seem to be a badgering question, but if I could ask, how it squares with your answer of a week ago or so, that you were willing and able to discuss Missouri politics, but that you weren't ready to discuss New York politics?

THE PRESIDENT. That is correct. It's just as correct today as it was then. I was a listener to two able New York politicians. [Laughter]

Q. Mr. President, can you tell us anything, sir, about the possibility of Mr. Mead

running? Do you think he will?

THE PRESIDENT. I don't know a thing about it. The best way to do is to talk to Senator Mead. He is available.

Q. Thank you, sir! [Laughter]

[6.] Q. Mr. President, when it was announced that you would postpone the atom bomb tests, the primary reason—official reason—given at that time was that it would take too many Congressmen out of Washington.¹ Yesterday, Speaker Rayburn said that things were going so well in Congress on emergency legislation that they could have a spring recess. How do those two things fit together?

THE PRESIDENT. I haven't talked to Speaker Rayburn on a spring recess, but the reason expressed in the release is exactly the reason why the atomic bomb plan was postponed.

Q. I just wondered if anything had happened in Congress since then, that made it possible for them—

THE PRESIDENT. No.

Q. —to take a recess?

THE PRESIDENT. The best way is to discuss that with the leaders in Congress.

Q. Mr. President, have you got any letters for or against the test?

THE PRESIDENT. No, I haven't.

Q. You have not?

Q. In this morning's paper, Mr. President, there was a story that another factor in that delay was the construction of measuring instruments—of instruments to help measure the effect of the blast. Is that also true?

THE PRESIDENT. I haven't heard it. The

¹On March 23 the Press Secretary to the President had announced that the tests scheduled for May 15 and July 1 would be delayed for about 6 weeks. The reason given for the delay was that a large number of Congressmen had expressed a desire to witness both tests but owing to the heavy legislative schedule would be prevented from doing so if the tests were held on the dates originally fixed.

first I've heard it. The reason was the one expressed in the release, and no other reason affected my postponing the test.

[7.] Q. Mr. President, in light of the threatened famine of food all over the world, you asked the American people to save food, and the situation which developed in California, where there is a threat to cut off food because of jurisdictional strikes, I am wondering whether you consider that is important enough to step in on this plan of regarding it—

THE PRESIDENT. That is a matter that is being handled by the Labor Department, and I hope by the Governor of California—just as I told you last time it was brought up.

[8.] Q. In view of your professed backing of Secretary Byrnes, do you have any misgivings about Russia taking a permanent walk?

THE PRESIDENT. No, I haven't.

[9.] Q. Mr. President, along the line of the food situation, the UNRRA food subcommittee, following Governor Lehman's lead, has suggested all the United Nations going back to food rationing. Have you got an appeal on that?

THE PRESIDENT. The—as I said the last time that this was brought up, the thing, if it became absolutely essential and the emergency was of a long enough duration that it would be necessary for us to go back to food rationing, I certainly would be in favor of doing it. But this is an emergency proposition, and the reimplementation of food rationing would take longer than the emergency is supposed to last. It is only supposed to last until the spring wheat crop can be gotten in.

Q. There isn't very much likelihood of—

THE PRESIDENT. Not for this emergency.

[10.] Q. Mr. President, can you tell us whether other names came into your politi-

cal conversation with the two gentlemen from New York?

THE PRESIDENT. No, I don't remember. The best thing for you is to talk it over with them. I remember particularly that they did discuss Senator Mead.

Q. Mr. President, does that mean that you are backing Senator Mead for the gubernatorial nomination—

THE PRESIDENT. I told you that I did not interfere in New York politics, outside of the State of Missouri.

Q. Did you state to them, Mr. President, the particular feeling that you expressed a couple of weeks ago, that you thought Senators ought to remain in the Senate?

THE PRESIDENT. I did not discuss that phase of the matter. When it comes up to me, I will discuss it.

[11.] Q. Mr. President, from New York there are some reports that Mr. Byrnes has been talking to you about this deadlocked Security Council. There is also speculation on reports that there is a possibility that you or he might try to get some help from Mr. Stalin. I am wondering if anything like that is in the wind?

THE PRESIDENT. It hasn't been discussed. Mr. Byrnes is in touch with me every day. He just phoned me a half hour ago on the situation.

Q. What did he say, Mr. President?
[Laughter]

THE PRESIDENT. He said that the matter would come up at 4 o'clock, and it would be discussed at the Security Council. I have no comment to make on what may happen.

Q. The matter of Russia leaving—

THE PRESIDENT. The matter that was under discussion—whatever it was.

Q. The matter that was under discussion between you and Secretary Byrnes?

THE PRESIDENT. No. The matter that is under discussion at the Security Council,

will come up at 4 o'clock, and we hope to settle it.

[12.] Q. Mr. President, would you care to make any comment on the special State Department report on international control of atomic energy, which will be released at 8 o'clock tonight?

THE PRESIDENT. No. I have no comment to make. It hasn't been released yet.

[13.] Q. Mr. President, have you had any reactions from Congress to your appeal of last Saturday night, on party unity and responsibility?

THE PRESIDENT. Yes, I have had lots of responses from Congress. They are in favor of it, most of them.

[14.] Q. Mr. President, did Mr. Baruch tell you he wanted his name withheld from consideration—consideration at this time?

THE PRESIDENT. I think he told Senator Connally that he would like to have it delayed, and I confirmed that statement to Senator Connally.

Q. Yes. Do you know of any reason for that?

THE PRESIDENT. No, I don't. You had better ask Mr. Baruch.

[15.] Q. I want to ask you about that tie that caused so much—[*laughter*—is that—

THE PRESIDENT. You know, that tie seems to have caused more trouble than the speech itself. And as I said, I have had that necktie, I think, for 4 or 5 years, and have worn it on several occasions. I think I wore it at the Gridiron dinner, if I am not mistaken. No comment was made on it then, because you people were familiar with such a tie.

Q. You weren't setting any such new style?

THE PRESIDENT. No.

Q. Just interested in it—indicating that things are getting back to normal?

THE PRESIDENT. I think so, yes. It makes me very happy.

[16.] Q. Mr. President, there are reports that Secretary Forrestal has started organizing a civilian advisory committee—invited about 75 or 100 very prominent people to belong to it—advisory committee to the Navy Department; and some of the proponents of the merger of the armed services say that it—actually it's an antimerger organization—

THE PRESIDENT. I haven't heard. I haven't heard about it.

Q. Haven't heard about the organization?

THE PRESIDENT. No. It hasn't been discussed with me.

[17.] Q. Mr. President, have you made your selection of the—for the Under Secretary nomination?

THE PRESIDENT. No. No, I haven't. I will announce it to you when I get ready.

[18.] Q. Do you expect a coal strike, Mr. President?

THE PRESIDENT. I have no comment to make on that. Your guess is as good as mine.

[19.] Q. Mr. President, do you expect to issue a statement or proclamation any time, when Mr. Small and Mr. Wyatt get ready with the real—put all the details of their program for these construction committees into effect, which requires a great deal of civilian cooperation?

THE PRESIDENT. Whatever it takes we will proceed to do, to get that program put through. That is one we are really behind, with everything we have.

Q. Mr. President, are there any plans for Government seizure of the mines, in case of a strike?

THE PRESIDENT. No, there are not.

[20.] Q. [*In broken English, unintelligible, about food and South America.*]

THE PRESIDENT. I am sorry, I didn't understand the question. Would you please repeat it for me?

Q. [*Repeated, and still unintelligible.*]

THE PRESIDENT. I am hoping that South

America will join us in sending food to Europe, and I am sure they will.

Reporter: Thank you, Mr. President.

NOTE: President Truman's fifty-sixth news conference was held in his office at the White House at 4:02 p.m. on Thursday, March 28, 1946.

71 Letter to Secretary Anderson Concerning the Food and Agriculture Organization of the United Nations. *April 1, 1946*

[Released April 1, 1946. Dated March 30, 1946]

My dear Mr. Secretary:

In order that the Government of the United States may readily fulfill the obligations and responsibilities which it assumed when it became a member of the Food and Agriculture Organization of the United Nations, I wish to see appropriate interdepartmental relationships established among the interested agencies of this government. Therefore, I am asking the Secretary of Agriculture to take the leadership in coordinating the work of the various agencies of the Government on problems arising from United States participation in the Food and Agriculture Organization. To assist you in this task, I hereby establish an inter-agency committee, with you or your nominee as chairman, with representatives from the Department of State, Treasury, Commerce, Interior, Labor, the Federal Security Agency, and the Bureau of the Budget. The Committee may add representatives of other agencies for such participation as may seem advisable to the committee. You may designate additional members from your Department, and you should make provision for an adequate secretariat for the Committee.

This inter-agency committee shall have the responsibility for ensuring that our Government aids to the fullest extent the proper

functioning of the FAO. In particular, the Committee will assist in formulating the position which this Government should take in the various fields of activity falling within the general purposes and functions of the Food and Agriculture Organization of the United Nations. The Department of State will continue to provide policy guidance on international political questions and on general organizational and administrative questions as they affect the relationships of the Food and Agriculture Organization to the United Nations and other international organizations. The Executive Committee on Economic Foreign Policy will continue to consider broad economic foreign policy questions including those on commercial policy and international commodity policy. The FAO committee will, of course, also need to work closely with other appropriate inter-agency committees.

You should also give consideration to the appointment of an advisory committee of citizens to aid you and the inter-agency committee in connection with the work of FAO. I am anxious that our relationships with all inter-national organizations have a firm foundation in wide public understanding and participation. An advisory committee of public spirited citizens might well be of inestimable value to our Government's

full participation in the work of the Food and Agriculture Organization of the United Nations.

I am sending copies of this letter to the heads of the departments and agencies who will have representatives on the inter-agency committee. You should work directly with

them in getting the committee established and functioning.

Very sincerely yours,

HARRY S. TRUMAN

[The Honorable, The Secretary of Agriculture, Washington, D.C.]

72 The President's News Conference of *April 3, 1946*

THE PRESIDENT. [1.] I am sending down the name of William J. Kennedy of Cleveland, Ohio, to be the Chairman of the Railroad Retirement Board—the one that Murray Latimer left.

[2.] I want to call your attention this morning to Mr. Snyder's sixth report on re-conversion. I have read the report twice, and it is a most interesting report. Shows that production of goods and services for the civilian market is higher today than ever before in the Nation's history, in war or in peace, and is still going up.

And it goes into detail on the—the equipment after V-J Day; and the wage-price policy is being translated into action without losing vital ground to inflation. We must not be complacent about these good signs of progress, however.

I have got a mimeographed release here,¹ which I would like for all of you to read carefully; and then it wouldn't hurt any of you to spend your time reading that report. That is the best answer to the rumors and things that have been made about the wage-price policy and the reconversion policy which has been pursued by the administration since V-J Day. I think it's the best answer that you can possibly have on the

subject. It covers the whole front—take you a little while to read through. I read it in half an hour, and I read it again in another half an hour. It's worth reading.

Anybody have any questions?

Q. I would like to ask, Mr. President—I read that, not as carefully as you did—I was impressed with that general statement of the large number of goods, but it is perfectly true that the goods are not well distributed at present. We have no shirts, and things of that sort. Would you, Mr. Snyder, or the President, have anything to say about that particular—

THE PRESIDENT. Well, there are certain individual things—shirts, for instance, that you mention, that distribution has not been as—the distribution has not been as good as it should have been—and a great many other things, but you must understand that all shelves—all inventories were down.

Q. Yes.

THE PRESIDENT. And I had one startling thing told to me just this morning: that it takes 32,000 automobiles for each dealer to put one in his window that doesn't—that is not for sale. It takes 32,000 automobiles to put one in each dealer's window for show purposes.

Mr. Snyder: Mr. President, on those textile things, the CPA and the OPA will issue

¹ See Item 73.

some regulations within the next week that are going to further supply the low end of textile articles. CPA is directing certain yardage into the low end products, and OPA is making—has made, in the last 10 days, some additional adjustments in pricing, which will certainly build that up—

Q. That has to do with shirts, doesn't it?

Mr. Snyder: Well, textiles—

Q. And others?

THE PRESIDENT. Textiles and other things.

Mr. Snyder: Men's and boys' clothing.

Q. How long will it be before they are evenly distributed? When can we get a shirt? [*Laughter*]

THE PRESIDENT. Your guess is as good as mine. I have got some surplus shirts, if you don't wear them too big.

Q. 15½; 35! [*More laughter*]

THE PRESIDENT. I have some 15½, but it's 33. [*More laughter*]

Q. [*Aside*] No shirt!

Q. Mr. Snyder know whether or not the new regulations will now permit a man to buy a suit with two pairs of pants?

THE PRESIDENT. I can't answer that. I suppose it's—as soon as they get enough woolens and things of that sort, you will be able to buy two pairs of pants, as you formerly could before the war.

Mr. Snyder: Up to now two pants are not in.

THE PRESIDENT. Mr. Snyder says up to now the two pants are not in yet.

[3.] Q. Mr. President, the Committee for Economic Development, which is a pretty well-recognized outfit—nongovernmental—research outfit—in its last report contended that production alone could never cure inflationary trends, and that what was needed was more fiscal control, and particularly restrictions on bank credits. I think the report doesn't mention the need for that, and I wondered if it had been considered?

THE PRESIDENT. Yes, it has been considered. And it is being considered. All those things have a hand in the control of inflation. We are doing everything we possibly can to prevent inflation. That is our biggest problem at the present time.

Q. Mr. President, do I understand you correctly that we will—the Government is considering new fiscal restrictions, such as restrictions on bank credits?

THE PRESIDENT. I didn't say that the Government was considering, I said we had been doing that. And the Secretary of the Treasury has been working on a fiscal policy of the country right straight along. There is no immediate change contemplated right now.

[4.] Q. Could you or Mr. Snyder tell us what a prolonged coal strike would do to this report's predictions?

THE PRESIDENT. A prolonged coal strike? I can answer that categorically. It would knock the whole thing out. The steel strike cost us about seven million tons of steel production that go to make rails and rods, and things of that sort. That is about one-ninth of the yearly production.

Q. How many tons was that—

THE PRESIDENT. Seven million.

Q. —seven hundred million?

Q. You said about one-ninth of a year's production?

THE PRESIDENT. That is rails and rods, and things of that sort. That is not pig iron. That would be eleven million tons with pig iron.

[5.] Q. Can you say anything about a balanced budget, on the strength of this—

THE PRESIDENT. Not at this time. I will talk to you about that a little later.

[6.] Q. Mr. President, can you say anything about the coal strike in general, the possibility of the mediator—

THE PRESIDENT. Well, the Labor Depart-

ment has a mediator with the operators and with Mr. Lewis, and they are working diligently trying to arrive at a settlement.

[7.] Q. Mr. President, the report says that the deficit for this fiscal year would be reduced by several billions. Have you any figure in mind as to what the deficit will be June 30th?

THE PRESIDENT. I will give you a statement on that at the next press conference, and go into detail with you. It is not quite ready yet, and I don't want to put out any guesses.

[8.] Q. Mr. President, will this Russell amendment have very much effect on this report?

THE PRESIDENT. I am not familiar with the Russell—you mean—

Q. Case amendment.

THE PRESIDENT. The Case-Russell—that will upset the applegart if it goes through. I have said that to the Congress.

[9.] Q. May I ask a question about this fiscal business? There's a drive on by which such banks as the Morris Plan—these banks that lend you a thousand dollars for more consumer credit, is that a part of the fiscal control that you are speaking of? Is that a detail that—

THE PRESIDENT. I can't answer that. I am not familiar with it at all. I am not familiar with that at all. I would like to answer it if I could, but I can't.

[10.] Q. Mr. President, could you tell us who your new Ambassador to Argentina will be?

THE PRESIDENT. No, I can't. I will tell you at a later date, but not now.

[11.] Q. Mr. President, I would like to have any comments you have on the Republicans' new chairman? *[Laughter]*

THE PRESIDENT. I think—I think that there has been a great deal of comment on that. I read an article in the Baltimore Sun this morning that seemed to me to be

a very good article on the subject. It's on the editorial page of the Baltimore Sun.

[12.] Q. Mr. President, whatever Ambassador you appoint to Argentina, will it justify these suggestions that are being made now, that it will represent a softening of United States policy towards Argentina?

THE PRESIDENT. I can't answer that now.

[13.] Q. Mr. President, has your new horseshoe court been staked out as yet? *[Laughter]*

THE PRESIDENT. Yes, it has.

Q. Played on it?

THE PRESIDENT. No, I haven't. I haven't had a chance as yet.

[14.] Q. Mr. President, Under Secretary of the Navy selected soon?

THE PRESIDENT. No.

[15.] Q. Mr. President, there has been another local jailbreak—*[laughter]*—and one of the local papers would like to ask you whether there is any possibility of the Federal Bureau of Prisons investigating this latest, and the others in the series of breaks from the local district jail?

THE PRESIDENT. I haven't thought about it. That is a matter for the government of the District of Columbia.

[16.] Q. Mr. President, to get back to the shirts, the principal cry of the retailers is on the OPA adjustment of the maximum price policy, which they said is causing them to withhold \$3 shirts, because they couldn't get \$2 shirts to match up. Have you any comment on that?

THE PRESIDENT. No. I haven't any comment to make on it because I haven't gone into the details. I used to know something about shirts, but I don't any more. *[Laughter]*

[17.] Q. Mr. President, do you have any new word this morning from the U.N.O. Security Council meeting—

THE PRESIDENT. No, I haven't.

Q. —whether they have heard anything from Russia or Iran?

THE PRESIDENT. No, I haven't.

[18.] Q. Mr. President, on the tidal wave in Hawaii, I wonder if you have been in touch with any relief agencies—

THE PRESIDENT. The Army is acting to meet the situation, and I think have met it very creditably. We will take care of our own, just as we are trying to take care of the other people in the world.

[19.] Q. We have dealt with shirts and pants. I would like to know why we had plenty of rayon stockings in the war, but none now?

THE PRESIDENT. I can't answer that. I imagine that the demand is so great that it can't be filled. I didn't know we had plenty during the war. My family didn't.

Q. Rayons? Oh, plenty of rayons.

THE PRESIDENT. Of course the nylon demand is so much different—that's different.

Mr. Snyder: That is still a major issue.

THE PRESIDENT. That's different. I am

not familiar with it. Sorry I can't answer that.

[20.] Q. Mr. President, did you and Mr. Loughlin talk about Senator Mead's candidacy yesterday?

THE PRESIDENT. Discussed everything that had to do with New York politics, and I listened with a lot of interest. [Laughter]

[21.] Q. Mr. President, did you and Governor Arnall discuss the Bulwinkle bill the other day?

THE PRESIDENT. Yes.

Q. I wonder if you would tell us what you plan to do, in case that is passed?

THE PRESIDENT. I will take care of that when the bill comes up to me. I just listened to Governor Arnall discuss his views on the subject.

Reporter: Well, thank you, Mr. President.

THE PRESIDENT. You're welcome.

NOTE: President Truman's fifty-seventh news conference was held in his office at the White House at 10 a.m. on Wednesday, April 3, 1946.

73 Statement by the President Upon Releasing Report of the Director of War Mobilization and Reconversion. April 3, 1946

JOHN W. SNYDER'S REPORT on re-conversion, which I have read with great interest, should be required reading for every thinking American. I hope, particularly, that it will be studied carefully by every skeptic who thinks that this country is in bad shape and is not doing a remarkable job in changing over from war to peace.

The facts in the Sixth Report of the Office of War Mobilization and Reconversion are grounds for optimism and a redoubling of our energy to get that job done. We still have large, critical problems ahead of us, but we are over the hump of reconversion.

Production of goods and services for the civilian market is higher today than ever before in the Nation's history, in war or in peace, and is still going up.

Employment, which dropped off after V-J Day, is building up steadily, and non-agricultural employment is now above the V-J Day level. Unemployment is around three million, which is lower than any of us thought possible six months ago. Private wage and salary payments, which dipped sharply after V-J Day, are now around the V-J Day level. The public debt, which necessarily grew to give us our airplanes and

guns, has now stopped rising and our revenues and expenditures are more nearly in balance.

The wage-price policy is being translated into action without losing vital ground to inflation, and many industries have signed labor-management contracts and are ready for uninterrupted production. More than nine million persons have received wage increases since V-J Day. This little known fact—overshadowed by the few critical disputes that have received widespread publicity—is a tribute to management and labor in many industries and companies, who have quietly composed their differences with wisdom and dispatch.

We must not be complacent about these good signs of progress. We cannot afford to relax for one minute our battle against inflation. Our progress to date will be completely nullified if we do not have an early extension of our price control and stabilization laws, for without them progress will be turned into economic chaos. Likewise, pro-

tracted work stoppages in any one of a number of important fields—for instance in the coal industry—could seriously delay our progress. Housing, too, is an immediate problem requiring immediate action.

These are critical problems, but they are being faced by a great country that is coming out of its war years as a strong and healthy Nation.

We have not always sufficiently appreciated this strength and economic health. But they are the source of our confidence and power to move toward an age of full employment and production, of high standards of living and of active world trade. They give us the determination to be united, knowing that what is best for all of us is likewise best for each of us.

Only as a united Nation can we hope for a united World.

NOTE: The report of the Director of War Mobilization and Reconversion, dated April 1 and entitled "Production Moves Ahead," is printed in House Document 524 (79th Cong., 2d sess.).

74 Statement by the President Concerning Benefits for Philippine Army Veterans. *April 4, 1946*

ON FEBRUARY TWENTIETH, at the time of signing the Surplus Appropriation Rescission Act, I referred to a provision excluding Philippine Army veterans from various benefits provided by law in respect of military service, and stated that the Secretary of War, the Administrator of Veterans' Affairs, and the United States High Commissioner had been asked to work out a suitable plan for prompt submission to the Congress.

It was expected that such a plan could be prepared by March fifteenth. The departments concerned have reported to me that the problem is receiving diligent study but that further time will be needed to work

out a suitable program and prepare necessary legislation for its administration.

I want to state for the benefit of our comrades in the Philippines that the matter is receiving attention and is being expedited as much as possible. In the meantime the Army is making hospital services available as far as possible under existing law by postponing the discharge of personnel who are in need of hospitalization. It should not be overlooked moreover that in the Surplus Rescission Act previously mentioned the Congress has authorized payment of pensions to Philippine veterans and their families in the event of service-connected

disability or death. It has been estimated that these pension disbursements will eventually total half a billion pesos.

NOTE: For the President's statement upon signing the rescission act see Item 38. A message to Congress dealing with benefits for Philippine veterans was transmitted on May 18 (see Item 122).

75 The President's News Conference With the Keen Teen Club of Chicago. *April 6, 1946*

[The Official Reporter's notes state that the conference was in progress when he arrived.]

THE PRESIDENT. . . . I shall go into that in some detail, if you will—

[1.] Q. Mr. President, do you think, if Britain passes this law before the House of Lords now, that Britons will be required to surrender some of their sovereignty to U.N.O., and that that will set the pace for the world?

THE PRESIDENT. I haven't given it any study. I can't answer your question. I'm sorry.

[2.] Q. Mr. President, what part has religion played in your advancement from a local official to the highest office in our land?

THE PRESIDENT. Well, a system of morals is necessary for the welfare of any individual or any nation. The greatest system of morals in the history of the world is that set out in the Sermon on the Mount, which I would advise each one of you to study with everything you have.

[3.] Q. Mr. President, if universal conscription should go into effect, would provision be made for fellows who wanted to continue their education further?

THE PRESIDENT. I think you have a wrong impression of a universal training program. It is not universal conscription. You don't serve in any military organization. You are merely trained so that you may be able to do it if the emergency ever comes. They are two entirely different things. Universal training will not interfere with education

in any way whatever. In fact, it will help in education. It is something you all ought to have in your education.

[4.] Q. Mr. President, since we the young people of the United States are someday going to be our country's representatives to the U.N.O., how do you think we could best prepare ourselves for this work?

THE PRESIDENT. The best way to prepare yourself is to find out all about your local government, your State Government, your National Government, and then study international affairs. You ought to know more about your own country than anybody else does, before you start talking about the other fellow's country.

[5.] Q. You have shown a great deal of loyalty to your friends on various occasions. Have you anything to say about loyalty to our schools and to our friends?

THE PRESIDENT. That is one of the fundamentals of the right kind of a life, loyalty to your friends. In my opinion, of course. I am only expressing my opinion as an individual.

[6.] Q. Mr. President, what are your views on continuation of the draft?

THE PRESIDENT. It will have to be continued for 1 year, or else do an injustice to those men who are now overseas. They have a perfect right to have the same privileges that the rest of the military organization has. It is not fair to keep those men on the job, when they are entitled to come home

and be discharged. And the only way to keep it up on a fair basis is to extend the draft.

[7.] Q. Mr. President, would you say that we, the American youth of World War II—would you say that we, the American youth, played an important part in winning World War II?

THE PRESIDENT. Certainly. You made the greatest contribution that is possible. You served and fought in it.

[8.] Q. Mr. President, do you think that a considerable proportion of the indifference of the American people to government, its institutions, duties and functions, could be largely eliminated by more attention to their own local civic affairs?

THE PRESIDENT. Certainly—certainly. [*Laughter*] That's all right. Now that was a good question.

[9.] Q. Do you think having one universal language would be practical?

THE PRESIDENT. I don't know whether it would be practical or not, but it certainly would be a great thing for world peace if we had it.

[10.] Q. Mr. President, you are one of the men of the what might be termed lost generation of the last war. What do you think about this generation in terms of that?

THE PRESIDENT. I didn't understand the question. Will you please repeat it?

Q. On the basis of the youth of the last war, what happened in World War I, what do you think is going to—what is our destiny—to the youths of World War II?

THE PRESIDENT. Well, I think the welfare of the country, of course, is in the coming generation, and I am not at all averse to putting the welfare of this country into the hands of the coming generation. They are all right. There is nothing wrong with them at all. I know, because I have had a lot of contact with them.

[11.] Q. Mr. President, would you be in favor of a national youth organization, with conventions, to discuss current problems, and be acknowledged by Congress as a recognized group in their opinions?

THE PRESIDENT. I don't think that is necessary. I think the youth will come forward anyway, without any recognition by law. They have a great organization now which works for the welfare of the country, I think.

Q. Mr. President, do you think that teenagers should be allowed to have a voice in making decisions in all—all high school governments—have a voice—

THE PRESIDENT. I think they should probably be listened to. I haven't had experience in running a school to give you an intelligent answer on it. Only, when I was in high school, I had to obey the orders of the teacher, and I think maybe that was a pretty good thing. [*Laughter*]

[12.] Q. Mr. President, Chicago has a fund for taking over the servicemen's Service Center as a youth canteen. What do you think of it?

THE PRESIDENT. I think it's a good idea.

Q. Mr. President, do you think the American youth—I mean, we haven't suffered the pangs of war—do you think we are serious minded enough to be able to meet our country's problems when we meet the other countries future—in the future, I mean?

THE PRESIDENT. Well, we have all gone through the same stage that you are going through.

Q. We haven't suffered the destruction of our homes.

THE PRESIDENT. No, that is true; but then, I am perfectly willing to agree that the coming generation will take care of the situation in this great Republic, just as the past generations have. I have perfect faith in them.

[13.] Q. Mr. President, in the minds of the men who have been enrolled in ROTC,

and military schools throughout the country, there is quite a question of what part their past training will play when universal training comes into effect?

THE PRESIDENT. I think they will get credit for it. They should.

Q. I think that all—all the men that I know in my school are very much in favor of the training, but are worried about how much time will be duplicated?

THE PRESIDENT. Well, it won't be duplicated at all. I think they will get credit for all the training they have had. For those who have had the training, there will be no necessity for it to be given them in duplicate.

[14.] Q. Mr. President, what advice would you give to anyone of our age that is interested in going into politics?

THE PRESIDENT. Well—[*laughter*]*—*politics is government. Politics is government. And everybody in the Republic ought to be interested in the welfare of his government. Therefore, everybody ought to know something, and take—something about and take an interest in politics. A man who wants to go into it professionally, he has to start at the bottom and work up. At least, that is my experience.

[15.] Q. Mr. President, all of us here are interested in newspaper and presswork. How much importance would you assign to the press in the working of real democracy and good government?

THE PRESIDENT. Freedom of the press is absolutely essential to a Republic and to good government.

[16.] Q. Mr. President, what do you think of having representatives in Congress for youth to write to, so they can be recognized; to prevent these strikes going on in Gary, and some schools?

THE PRESIDENT. Well, everyone has access to his Congressman. That is what our Government is founded upon. You have a per-

fect right to write to your Congressman at any time you want to. When I was in the Senate, I used to receive thousands of letters from everybody in my State. I always answered them. I got a lot of good out of it.

[17.] Q. Mr. President, do you think the question before the House now, about suspending the draft for 9 months, will go through?

THE PRESIDENT. I hope not.

[18.] Q. Mr. President, you have had the opportunity to meet people of the various countries. What would you say their general opinion was of the American youth?

THE PRESIDENT. The American soldier abroad has made a very fine impression. I am going to speak about that today out at Soldiers' Field.

[19.] Q. Mr. President, do you believe that the youth of today will be capable of upholding the government of tomorrow?

THE PRESIDENT. I certainly do.

Q. Could you indicate any special advice on it? I realize this is a youth gathering—

THE PRESIDENT. Just follow the generations of our government right straight down, and if you find that—when a man reaches 62—[*laughter*]*—*usually he begins to worry about the coming generation, that is a sure sign that he is getting to be an old man. [*More laughter*] The next generation sometimes doesn't profit by the experience of the previous generation—if you take World War I and World War II. I am hoping that the coming generation will profit by the experience of the past generation, and will make the country that much better to live in. The country is always on the improvement. I think it's improving in every generation, and I think you are going to improve it over the generation to which I belong.

[20.] Q. Mr. President, do you favor a

policy of exchanging more students of other countries, particularly Russia?

THE PRESIDENT. Well, not particularly Russia, but every country—Russia included.

[21.] Q. Mr. President, would you advise teenage girls to enter politics, or plan to enter politics?

THE PRESIDENT. Well, that is something for her to decide for herself. She should take an interest, as I said a while ago, in the government of her community, and of her county, and of her State. To go into politics professionally, that is another matter. She should decide that for herself.

Q. Mr. President, what do you think about the women that are in Congress now? [*Laughter*]

THE PRESIDENT. Young man, what would you expect me to say? [*More laughter*] I think they are a very fine bunch of women. They represent their districts capably and well.

[22.] Q. What would you say is the reason for all the race discrimination—discrimination between Jews and gentiles? How could you overcome that?

THE PRESIDENT. It's lack of education and association.

[23.] Q. Mr. President, is it true that you get a great deal of relaxation from music?

THE PRESIDENT. Yes, indeed. Anybody can relax to music.

[24.] Q. What would be your advice to a high school graduate? Do you think he should risk going to work, or go on to college?

THE PRESIDENT. By all means. You can't get too much education. What you get into your head, you can't take away.

[25.] Q. What kind of music do you like best?

THE PRESIDENT. I am very fond of piano music, particularly. [*Laughter*] I like

Chopin, and Mozart, and Beethoven. I am very fond of Gilbert and Sullivan operas, and Verdi operas. Most any kind of music I like, except noise. [*Laughter*] I don't like noise.

[26.] Q. Mr. President, do you think that any student that is not inclined toward higher education should struggle through college, or do you think they should get some vocational training to take a job?

THE PRESIDENT. Well, I think that is a matter that has to be worked out by the student himself. Of course, if he can do better in vocational education, that is what he should take. Most everybody eventually reaches the level at which he thinks he can do best, and that is what he ought to do, but I am still in favor of as much education as you can possibly get. The more and better education, the better educated you are, the easier it is for you to get along in the world, and the more tolerant you are. That is what it takes to get along in this world.

Q. Mr. President, I would like to know if you think a new course should be instituted in the high school curriculum to prepare youth for world citizenship?

THE PRESIDENT. Yes, I do. That would be a good thing. That is a matter of education, too.

Q. Do you think that there should be more free colleges, so that all who want a college education can have it, without regard to race or creed, or financial status?

THE PRESIDENT. Yes. I think that is a good thing. That's the reason for the State universities.

[27.] Q. Mr. President, are you in favor of Mr. Wyatt's housing program?

THE PRESIDENT. Certainly. [*Laughter*] Mr. Wyatt wouldn't be putting on the housing program if I wasn't in favor of it. [*More laughter*]

Q. Mr. President, the Housing Expediter

recently has ordered a suspension of all land, generally speaking, of nonveterans housing. How will that affect the school program?

THE PRESIDENT. It doesn't affect the school program. If you will read the order very carefully, schools are exempted—and hospitals; and a number of other things are necessary.

[28.] Q. Mr. President, what one thing can the boys and girls in the United States do at this time to help relieve the suffering and hunger in other countries?

THE PRESIDENT. Don't eat so much! [Laughter] Try and get everybody to contribute as much as they can to the welfare and benefit of the people who are starving. That is the most terrible thing that the world is faced with now. We ourselves, at every meal, waste more than will feed a whole family for a day in these countries that are starving. Just bear that in mind. I can't make that too strong. That is an appeal.

[29.] Q. Do you see any immediate solution to the poll tax in the South?

THE PRESIDENT. No, I do not. That is a matter that they will have to work out for themselves, and they are gradually working it out. There are a number of Southern States that repealed it, and I hope they all will, eventually. That is a matter for them to work out themselves. I don't think any-

body can work it out for them. It's a matter of education, too.

[30.] Q. Mr. President, why are some of our parents who fought in World War I, and are in the building business, restricted from buying material in order to build, while the veterans of World War II have priority over all building material if they want to build their own homes, or they want to get into business for themselves?

THE PRESIDENT. I didn't know that was the case. I will have to look into that. I think that the World War veterans of World War I had adequate—had plenty of opportunity to build a house while these other young men were at war; but I didn't know there was discrimination.

The Secretary of the Press says I have said enough, and I will have to go. I have had a very pleasant time. It has been—I have been most happy to be with you. I think you have asked some very intelligent questions, and I hope I have given you intelligent answers.

Voices: Thank you, Mr. President.

NOTE: President Truman's fifty-eighth news conference was held in the Blackstone Hotel in Chicago at 10:15 a.m. on Saturday, April 6, 1946. The White House Official Reporter noted that the conference with the Keen Teen Club—a youth organization sponsored by the Chicago Daily News—was attended by newsmen as observers.

76 Address in Chicago on Army Day.

April 6, 1946

[Broadcast nationally at 3 p.m.]

Mr. Mayor, distinguished guests, fellow Americans:

On this Army Day, freedom-loving men all over the world rise with us to salute our fighting men and devoted women of the Army. Our American soldier is respected

everywhere for his courage, admired for his fighting skill, and loved for his charm and simplicity. Like his gallant brother in arms in the United States Navy, he is the symbol of our traditions and our hopes.

Our Army has written many glorious

chapters in the Nation's history, but none so brilliant as the last. Its story in this war has been written in every corner of the globe—on the continent of Europe; in the wastes of the Arctic; over the vast expanse of the Pacific; in jungle and desert; on mountains and over the beaches. It is a glorious history of men against the forces of nature as well as against the forces of evil.

Our Army is a civilian army, not a professional one—either in leadership or in manpower. Of the 850,000 officers who led it in war, only 16,000 were professional soldiers. Of the ten million men and women who at some time served in it, only 300,000 were regulars.

This Army Day is a fitting day for us to look thankfully at the past and hopefully to the future.

Our Army of democracy—of every walk of life, of every faith, of every national descent—was victorious over the professional armies of the dictators who had scorned us as too soft and too cowardly to fight. The survival of a free civilization is the reward for the struggle and battles of the men of our fighting forces.

No one can think of the great American Army without thinking of those leaders of victory, those commanding officers, who now take their place in history with the immortals of the past. And the Army itself as well as the American people will always remember the inspiration, leadership, courage, and determination which came from that gallant warrior in the White House—Franklin D. Roosevelt.

The past is history. It is the future to which we must now turn our thoughts and our energies. What of the world on the Army Days to come? What of the future of mankind in this atomic age which is upon us?

Let us look clearly at today and tomorrow.

The facts are plain, and I think our course is also plain.

The United States today is a strong nation; there is none stronger. This is not a boast. It is a fact, which calls for solemn thought and due humility. It means that with such strength, we have to assume the leadership and accept responsibility. It would be a tragic breach of national duty and international faith if, consciously or carelessly, we permitted ourselves ever to be unprepared to fulfill that responsibility.

We still have much to do. We are determined to remain strong.

We still have all the duties of the armies of occupation. We still have to do our share in supervising former enemy governments, enforcing the peace terms, disarming and repatriating enemy troops, taking care of hundreds of thousands of displaced persons. We still have to service and supply all our troops overseas. We still have to protect and preserve American property all over the world. We still have to destroy the materiel—war materiel and the war-making industries of our enemies.

But far and above all those things, we must remain strong because only so long as we remain strong can we ensure peace in the world. Peace has to be built on power for good. Justice and good will and good deeds are not enough. We cannot on one day proclaim our intention to prevent unjust aggression and tyranny in the world, and on the next day call for immediate scrapping of our military might.

We must remain strong, not because we plan or want to impose our views upon the world by force. We do not want to make war on any nation. We must remain strong in order to retain our leadership, and, with all our resources, exercise that leadership on behalf of a world of peace and harmony among all nations and all peoples.

This is not only our moral duty; it is a firm obligation which we have undertaken as a member of the United Nations.

From the military point of view, how can we best maintain this strength and leadership? I have, during the past year, given what I consider appropriate answers to that question, to the Congress and to the Nation. Because time passes quickly, and because delay is itself a process of decay, I emphasize those answers again today.

They are: first, unification of all our armed services in a single department; second, temporary extension of the Selective Service Act; and third, universal training.

Unification does not mean subordination of any branch of the service. It does not mean loss of identity. It means just what the word says—unification. It means a concentration and cohesion of our best military thought and our best military resources, geared to maximum efficiency. It means using our experience in World War II for the peace of the world.

I hope that the second objective will very soon be achieved in the Congress—the temporary extension of the Selective Service Act. We have won the war; we must now make the victory secure. Victorious nations cannot, on the surrender of a vicious and dangerous enemy, turn their backs and go home. Wars are different from baseball games where, at the end of the game, the teams get dressed and leave the park. In wars, the victors must make sure that there will not be a recurrence of enemy aggression and tyranny. Tyranny must be rooted out from the very soul of the enemy nation before we can say that the war is really won.

The American people recognize that fact. But the process is a long and exacting one. It requires an army of many men. And that army of many men can be continuously and adequately supplied for another year

only by the Selective Service Act.

If that act is not extended beyond the next month, when it will otherwise expire, we face these alternatives: Either we shall have to keep our men in foreign lands who, by reason of long service, are justly entitled to come home to their families; or we shall turn our backs upon the enemy before victory is finally assured.

Justice to the men still in the Armed Forces, justice to all our people and to civilization itself, forbids the choice of either of these alternatives. The Congress, I am sure, will not choose either one of them.

The third essential of a strong America is a program of universal training. Let us understand this clearly. Universal training is not conscription. It does not mean that our young men would have to serve in the army or navy for any period during peacetime. They remain citizens and civilians unless the Congress declares an emergency and calls upon them to serve in the Armed Forces with other citizens.

What is proposed is that each individual be trained and fitted by his Nation to take his place if war unhappily should ever come again.

It is no answer to say that we do not need a large army in this atomic age. No one knows yet precisely what we shall need—in terms of infantry, artillery, pilots, paratroopers, ships, radar, planes, rockets, or bombs.

We do know this: modern war calls for the total mobilization of all men and all energies. We know, too, that we are not likely again to be given 2 years or more by heroic allies to get ready. Next time—if there must be a next time—we are likely to be the first target.

And so on short notice, each man must be ready to take his place and go forward—not at the end of a few months, or a few

years, but immediately. Otherwise it may be too late.

There is only one way that each man can be ready, and that way is by training ahead of time. He will not be trained to do things which are obsolete. He will be trained to do only whatever is required in modern warfare. A nation like ours, whose responsibility is leadership against tyranny and oppression, surely cannot expect less of its people than that they be made ready to fight or to work to preserve the Nation.

Unification of the Armed Forces, temporary extension of the Selective Service Act, and a universal training program—those are the foundation stones which hold the promise of a strong nation. They are essential if we are to maintain our leadership on the road to peace and freedom.

Now, even in an election year like this, nobody should play politics with the national safety.

The desire for peace and freedom is the very root of our foreign policy. I stated the fundamental foreign policy of the United States in New York City on Navy Day last October, and in my message to the Congress January 21, 1946. That policy remains the same today. It is based squarely upon the pursuit of peace and justice; and it definitely rejects any selfish advantage for ourselves.

The immediate goal of our foreign policy is to support the United Nations to the utmost.

It is my conviction that the Security Council of the United Nations, now meeting in New York City, is fully capable of reaching agreements between the peoples of the world—however different their traditions and philosophies, and however divergent their interests. The essential requirements to that end are that its member nations follow the dictates of justice, that they consider

and respect the legitimate aspirations and needs of their fellow members.

All citizens of the United States worthy of the honor of that citizenship are determined to preserve our democratic form of government. They will not, on the other hand, interfere in any way with the governments of other peace-loving people.

Peace is not a reward that comes automatically to those who cherish it. It must be pursued, unceasingly and unwaveringly, by every means at our command.

In the pursuit of peace, there is no single path. We must have a policy to guide our relations with every country in every part of the world. No country is so remote from us that it may not some day be involved in a matter which threatens the peace. Remember that the First World War began in Serbia; that the peace of Versailles was first broken in Manchuria; and that the Second World War began in Poland. Who knows what may happen in the future? Our foreign policy must be universal.

In the Far East our program for peace is designed to combat and remedy the conditions that made it possible for Japan to turn upon her neighbors. We have disarmed Japan, and we are promoting reforms which we hope will bring into being a democratic and peaceful nation. But the control and reform of Japan is only a beginning. In the Far East, as elsewhere, we shall encourage the growth and spread of democracy and civil liberties.

In Korea we are even now working with our Soviet Allies and with the Korean leaders to create a provisional democratic government. Our aim is to speed the day when Korea will again take her place as an independent and democratic nation.

In China we are supporting a free and democratic government. Through the wise counsel of General Marshall the Chinese

leaders are on the road to achieve political unity by peaceful and democratic processes.

The Philippine Commonwealth, on July fourth next, will become a fully sovereign and independent nation. We hope for the peaceful settlement of the differences which have arisen between Colonial peoples and Colonial sovereigns in all areas.

The roots of democracy, however, will not draw much nourishment in any nation from a soil of poverty and economic distress. It is a part of our strategy of peace, therefore, to assist in the rehabilitation and development of the Far Eastern countries. We seek to encourage a quick revival of economic activity and international trade in the Far East. To do that we stand ready to extend credits and technical assistance to help build the peace.

We recognize that the Soviet Union, and the British Commonwealth, and other nations have important interests in the Far East. In return we expect recognition by them that we also have an interest in maintaining peace and security in that area. We expect understanding on their part that our objectives are dedicated to the pursuit of peace; and we shall expect them to pursue the same objectives.

Turning to the Near East and the Middle East, we find an area which presents grave problems. This area contains vast natural resources. It lies across the most convenient routes of land, air, and water communications. It is consequently an area of great economic and strategic importance, the nations of which are not strong enough individually or collectively to withstand powerful aggression.

It is easy to see, therefore, how the Near and Middle East might become an arena of intense rivalry between outside powers, and how such rivalry might suddenly erupt into conflict.

No country, great or small, has legitimate interests in the Near and Middle East which cannot be reconciled with the interests of other nations through the United Nations. The United Nations have a right to insist that the sovereignty and integrity of the countries of the Near and Middle East must not be threatened by coercion or penetration.

If peace is to be preserved and strengthened in this important section of the world, however, we cannot be content merely to assure self-government and independence. The people of the Near and Middle East want to develop their resources, widen their educational opportunities, and raise their standards of living. The United States will do its part in helping to bring this about.

Turning to Europe, we find her suffering from terrible pangs of hunger and privation. Economic reconstruction is first of all a task for the people and the governments of Europe. Help from the outside, however, will quicken the pace of reconstruction and reduce the cost in human misery. The United States is in a position to help; we are helping now; and we shall continue to help.

We shall help because we know that we ourselves cannot enjoy prosperity in a world of economic stagnation. We shall help because economic distress, anywhere in the world, is a fertile breeding ground for violent political upheaval. And we shall help because we feel it is right to lend a hand to our friends and allies who are recovering from wounds inflicted by our common enemy.

Food is Europe's most critical need. It is not enough to share our surpluses, for to share surpluses is not really to share at all. No worthy American will hesitate to reduce his own consumption of food when the food so released will avert starvation abroad.

Next to food, Europe's greatest need is for machinery and raw materials to rehabilitate

her transportation system, her mines, and her factories. We have been supplying these products to Europe on long-term credit and we shall continue to do so. Billions of dollars for reconstruction have been made available by the Congress through the Export-Import Bank and through the International Bank.

We seek to lay the groundwork of a world trading system which will strengthen and safeguard the peace. We want no return to the kind of narrow economic nationalism which poisoned international relations and undermined living standards between the two World Wars.

The Congress is now considering, and I hope will soon approve, the financial agreements with Great Britain. These arrangements have not been made merely to support a faithful ally. They are of vital importance of our own country as a means of opening channels of world trade to American enterprise.

We shall work to achieve equal opportunity in world trade, because closed economic blocs in Europe or any place else in the world can only lead to impoverishment and isolation of the people who inhabit it.

We shall press for the elimination of artificial barriers to international navigation, in order that no nation, by accident of geographic location, shall be denied unrestricted access to seaports and international waterways.

The American Republics propose to settle differences between the nations of the Western Hemisphere as good neighbors and by consultation in the common cause of peace

and national well-being—consultation in which all of them will have equal representation. The United States intends to join with other sovereign Republics of America in a regional pact to provide a common defense against attack.

Perhaps the greatest challenge which the war has given to us is the control of atomic energy, so that this vast new force may not destroy, but may serve mankind. Our country has joined with all the United Nations in a determined effort to devise international action to obtain these ends. We are pressing on steadfastly in this task. We realize that we must bring to it political imagination as great as the scientific genius which discovered this new force. The same unswerving determination and effort which produced the release of atomic energy can and will enable mankind to live without terror, and to reap untold benefits from this new product of man's genius.

I am not pessimistic about the future. I have confidence that there is no international problem which cannot be solved, if there are the will and the strength to solve it through the United Nations which we have created.

We attained everlasting, overwhelming victory in close union with the free and peaceful nations of the world. In the same kind of union with them, and with the help of the same heroic men and women who fought the war and whom we honor today, we can attain a lasting peace.

NOTE: The President spoke at Soldiers' Field. His opening words "Mr. Mayor" referred to Edward J. Kelly, mayor of Chicago.

77 Statement by the President Upon Signing Order Terminating the Office of Inter-American Affairs. *April 10, 1946*

I HAVE TODAY signed an Executive Order¹ transferring corporations of the Office of Inter-American Affairs to the Department of State. The order terminates the Office of Inter-American Affairs, and places those of its functions involving continued cooperation with the other American republics in a regular department of our government.

The Office of Inter-American Affairs has made an invaluable contribution to our victory. It has developed a new pattern of international relationships. Its cooperative programs with other American republics, in the fields of health and sanitation, food supply, education, transportation, and hemi-

sphere economic advancement, serve as guides to what can be done by the governments everywhere when they are willing to cooperate in solving problems of mutual interest to their peoples.

As it initiated and developed programs of coordination and cooperation during the war emergency years, the OIAA progressively transferred them to other agencies and departments for their completion or continuation. On August 31, 1945, I signed Executive Order 9608 transferring the information functions of the OIAA to the Department of State. With today's order, the completion of action programs, undertaken by the OIAA through its corporations to implement and perpetuate our Good Neighbor Policy, becomes the responsibility of the Department of State.

¹Executive Order 9710 (3 CFR, 1943-1948 Comp., p. 522).

78 The President's News Conference of *April 11, 1946*

THE PRESIDENT. [1.] The first thing I want to mention to you is a revision of the budget for the fiscal year 1946. We now anticipate net receipts for 1946—the fiscal year 1946—of 42,900 million, which is about 4,300 million above the January estimate. And it is now estimated that the budget will amount to about 64,700 million, which is about 2 billion, six below the January estimate.

I have this thing all mimeographed, with the details and everything, so you can work it out to suit yourselves.

That will mean an anticipated net deficit now of 21,722 million, against the former anticipated deficit of 28,620 million. It's a difference of 6,898 million—closer to 7 bil-

lion. Better off than we thought we were going to be.

It will be handed to you as you go out.

Q. Mr. President, has that been projected to the fiscal year 1947?

THE PRESIDENT. It has not. It's only for 1946.

Q. Are you making any statement for 1947?

THE PRESIDENT. I am not. I will make that statement at the proper time.

[2.] I have something for you here, Pete¹ [*reading, not literally*]: "My dear

¹Raymond P. Brandt of the St. Louis-Post Dispatch.

Mr. President: Here's the 'shirt and the long of it.' I am sending you three white shirts, size 15½ by 35, to present to"—it says "Ray Brandt" instead of Pete—"re his query at your press conference. Hope that through his long arm of ability you as the head arm of the law will pacify a naturally inquisitive press. This is from an old haberdasher—one old haberdasher to another."¹ [*Much laughter*]

Q. Mr. Brandt: Thank you very much, Mr. President. [*The President gave him the telegram.*] I helped—I thank you for an assist on that.

THE PRESIDENT. All right, Pete. I was afraid I was going to get into trouble with all the rest of these people. It got results, anyway.

Q. [*Woman reporter:*] Would you like to discuss nylon stockings? [*Laughter*]

THE PRESIDENT. I might—I am afraid I had better not take on nylon stockings. Shirts have given me enough trouble. [*More laughter*]

Any questions now?

[3.] Q. Mr. President, do you support Lewis Douglas for president of the World Bank?

THE PRESIDENT. Yes.

Q. And if so, what is your reaction to Mr. Morgenthau's letter of opposition?

THE PRESIDENT. Well, with Mr. Morgenthau no longer in the Treasury now, if Mr. Douglas is satisfactory to the Secretary of the Treasury, he is satisfactory to me.

[4.] Q. Mr. President, Harold Ickes—whom you may recall—[*laughter*—] says that he advised you twice last October to smash John L. Lewis. He didn't say just

how. I was wondering if you intend to follow his advice?

THE PRESIDENT. You saw the comment on Mr. Ickes, did you not, in the Daily News, on that same subject? I would advise you to read the editorial.

Q. I would rather have your comment.

THE PRESIDENT. I have no comment to make on Mr. Ickes whatever.

[5.] Q. Mr. President, in your Chicago press conference, there was something mentioned about the poll tax. Can that be taken to mean that States alone have the power to repeal—

THE PRESIDENT. I anticipated that you would ask me that question, and I have got a statement prepared for you which will be the answer to you. I will read it for you.

[*Reading, not literally*] "I haven't changed my position on Federal anti-poll tax legislation. I am still in favor of Federal legislation. I voted for cloture on this issue in the Senate, and I would do so again if I were a Senator.

"However, I also favor State action. There is no contradiction between Federal and State action on this matter. While the Federal anti-poll tax legislation has been pending in the Congress, several States have abandoned the poll tax."

And you must have the support of the people for any law. The prohibition law proved that.

[*Continuing reading, not literally*] "This is a great step forward, and I hope more States will see fit to change their poll tax laws.

"It may well be that the possibility of Federal action has stimulated State action. This is often the case with State and local legislation. For example, while we were pressing for the Federal action on fair employment practice legislation, several States

¹ The telegram (from Henry Modell of Henry Modell and Co., New York City) was in response to a query at an earlier news conference, concerning a shortage in men's clothing (see Item 72 [2]).

and a number of municipalities have adopted fair employment practice acts. Federal legislation and State legislation should supplement one another wherever possible. I am in favor of both Federal and State action on anti-poll tax legislation, FEPC and all similar legislation."

That ought to clear the matter up completely.

[6.] Q. Mr. President, at the eve of the—your first year as President of the United States, I was wondering if you would care to make a personal appraisal of the past year?

THE PRESIDENT. I don't think it is necessary. There have been enough appraisals made for the President. [*Laughter*] I would advise you just to read them, and take your choice. That is what I have been doing.

Q. How do you feel about your physical—

THE PRESIDENT. I feel just as well physically as I did at the beginning of it; in fact, a little bit better, if anything.

Q. Which appraisal did you choose?

THE PRESIDENT. I haven't made a choice yet, because they don't seem to be through yet. [*Laughter*] I don't want to play any favorites.

[7.] Q. Mr. President, whom does Luther Johnson succeed on that Tax Court?

THE PRESIDENT. The gentleman from New York—has the long name which I can't remember.¹ He's been on there from New York.

[8.] Q. Mr. President, now that General Marshall is expected to go back to China, can you tell us anything about his conference here, and what the results of them may be?

THE PRESIDENT. Well, General Marshall paid me a visit just a while ago, to make a

final statement, and his conferences here have been very successful. He will leave for China at once.

Q. Can you tell us anything about what he wanted them—he spoke a great deal about economic and material assistance to China, to the press?

THE PRESIDENT. I think at the proper time all those matters will be released. It is a little bit early now to make a release because it might embarrass General Marshall. Let's wait till he gets back to China and authorizes the release, and the whole thing will be turned loose for the benefit of everybody, just as the policy will be turned loose, at the proper time, for China.

[9.] Q. I want to check up a little bit more on your first year—

THE PRESIDENT. All right.

Q. —do you think the first year is the toughest?

THE PRESIDENT. Well, that is of course the motto: the first year is always the hardest. I hope the rest of them won't be any harder. Eddy,² you wanted to ask a question?

[10.] Q. Yes, sir. I wanted to ask you if your Secretary of Agriculture is correct in saying that he can lick you playing horse-shoes?

THE PRESIDENT. He did it. [*Laughter*] That's the only thing I can say.

Q. By how much, sir?

THE PRESIDENT. Well, about two to one.

Q. Two to one. Could you tell us anything about the game, who else was there—for a little color story?

THE PRESIDENT. No—just the Secretary of Agriculture and I.

Q. Just the two.

THE PRESIDENT. We discussed the food problem, and then we got out for a little relaxation.

¹ John M. Sternhagen.

² Edward B. Lockett of Time magazine.

[11.] Q. Mr. President, are you considering Mr. Pauley for the civil government in Germany?

THE PRESIDENT. No, I am not. Mr. Pauley has a job on the Reparations Commission, which is not yet finished. He is still on that.

[12.] Q. Mr. President, do you have any comment on your conference with Secretary Byrnes and Ambassador Messersmith today?

THE PRESIDENT. No, I have no comment.

Q. Any comment on the Argentine situation at all?

THE PRESIDENT. No. I don't care to comment.

[13.] Q. What are the prospects for settling the coal strike?

THE PRESIDENT. That matter is entirely in the hands of the Secretary of Labor, and I would suggest that you talk with him about it.

[14.] Q. Mr. President, is there anything new on the—on the food situation?

THE PRESIDENT. I think the food situation is improving to some extent. I have been informed that the rains in India have very materially helped the situation, and if we can get over the next 90 days—the anticipated grain crops in North Africa and in France are the best they have had in 10 years. Our outlook for the winter wheat crop, and the spring wheat crop, is also excellent; but the next 90 days is the crucial period, and we are going to have a great deal of trouble over that period. But we are doing everything we possibly can to meet the situation.

[15.] Q. Mr. President, have you approved the Simpson report on Army reorganization?

THE PRESIDENT. Which report?

Q. Simpson report on Army reorganization?

THE PRESIDENT. No, I have not. It has not come up to me yet. I know about it,

but it hasn't reached my desk as yet.

[16.] Q. Does the subcommittee report on unification, reported the other day, have your full support, Mr. President?

THE PRESIDENT. I have read that report, and the subcommittee was up here and discussed the bill with me. It has a lot of good points. It is not customary to approve legislation before it's passed. I will act on it when it comes to my desk.

Q. Do you think the Navy is justified in continuing its fight on it?

THE PRESIDENT. No, I do not. I do not think the Navy was justified in making a fight after I announced the policy.

[17.] Q. Mr. President, what do you think of the Polish charges against Spain before the United Nations?

THE PRESIDENT. It's political, I think.

Q. Can you explain that, sir?

THE PRESIDENT. No.

Q. It isn't a picayune statement.

THE PRESIDENT. No further comment to make on it.

[18.] Q. Mr. President, didn't you authorize Navy officers to speak against that?

THE PRESIDENT. I did not. I authorized Navy officers to express their honest opinions. They are still authorized to express an honest opinion, but when the President of the United States, the Commander in Chief of the Army and Navy, sets out a policy, that policy should be supported by the Army—and War Department—and by the Navy Department. That doesn't mean that the individuals are muzzled on their honest opinion.

Q. Mr. President, they show no signs of stopping expressing their opinions on it or of fighting the bill. Do you intend to take any steps against any of the admirals, in case they keep on fighting?

THE PRESIDENT. I will attend to that a little later.

Q. Mr. President, what is the distinction you make there, sir, as a Department—distinction between the Department and individuals?

THE PRESIDENT. Yes. Distinction between the Department and the individuals. We are trying to get the facts as they are, and facts are not in propaganda and lobbying, which has been going on to a very vast extent.

Q. Would that mean, sir, that you would shake up the individual civilian end—service heads of the Navy Department, if this fight continues?

THE PRESIDENT. Not necessarily. I think it will work itself out. Just wait a little.

Q. I'll bet you two to one. [*Laughter*]

THE PRESIDENT. I will take you on that. I will take you on that.

[19.] Q. Mr. President, is that situation

entering into your selection of the Under Secretary of the Navy?

THE PRESIDENT. It is not. I am trying to find the man best qualified for the Under Secretary of the Navy.

Q. The Navy suspects that you may choose an Army man, Mr. President. [*Laughter*]

THE PRESIDENT. Wait and see.

[20.] Q. Mr. President, are you satisfied with the housing bill as it went to the Senate yesterday?

THE PRESIDENT. Yes, I am.

Reporter: Thank you, Mr. President.

THE PRESIDENT. You're welcome.

NOTE: President Truman's fifty-ninth news conference was held in his office at the White House at 4 p.m. on Thursday, April 11, 1946. The White House Official Reporter noted that Mrs. Truman and members of her bridge club from Independence were present at the conference.

79 Statement by the President Announcing Revised Budget Estimates. *April 11, 1946*

SINCE THE BUDGET MESSAGE was issued in January, the outlook for both revenues and expenditures for 1946 has changed materially. Revenues proved to be considerably higher than we anticipated, while expenditures are now expected to be lower than the January estimates. The reasons for these changes are numerous. As usual, as the year advances, revisions of the Budget are necessary.

The main reason for the improved revenue outlook is that we are well on the high-road to full peacetime production. There have been many headaches for the Administration; the readjustment pains of our economy have been acute—and they are not yet over. But when we look at the record of production and employment since V-J Day, we see that we have done better than we felt

warranted in counting on a few months ago. In spite of the difficulties and complexities of the dynamic period through which we are moving, we are better off than we were after World War I, and we have good reason to be gratified. We now anticipate net receipts for fiscal 1946 of \$42.9 billion, which is about \$4.3 billion above the January estimate.

The reductions in the expenditure estimates are due to a variety of causes. Some expected expenditures have not materialized; others have been deferred to a future period; some have been reduced; and some savings have been effected. Some of the largest reductions are due to the high civilian demands for goods of every description, which have deferred execution of the Government's programs. The public works program has

been delayed owing to shortages of materials and the difficulty of placing contracts. Disbursements by the Export-Import Bank have fallen below expectations since the countries to which we extended lines of credit have been unable to get goods. Outlays of the Commodity Credit Corporation have been much lower than anticipated because buoyant demand has kept agricultural prices at their ceiling levels. Consequently, price support operations have been lower than anticipated and the Corporation has been able to liquidate large inventories.

Part of the reduction in expenditures can be ascribed to greater economies of Government operation and more rapid demobilization than we had expected. On the other hand, veterans' expenditures are expected to be above the original estimates. It is now estimated that budget expenditures will amount to about \$64.7 billion in fiscal 1946, which is about \$2.6 billion below the January estimate.

Thus, with receipts of \$4.3 billion higher, and expenditures of \$2.6 billion lower, we expect a budget deficit of about \$21.7 billion, which is almost \$7 billion below the January estimate.

For the second half of fiscal year 1946, we expect a deficit of about \$3.6 billion.

For the January-March quarter in 1946 receipts exceeded expenditures by \$0.8 billion—for the first time since 1930. This surplus was, of course, due to the heavy tax receipts in March. For the April-June quarter, expenditures are expected to exceed receipts by \$4.4 billion, owing largely to the payment on account of the International Monetary Fund and increases in interest, refunds, and public works expenditures.

We are on the way toward a balanced budget. Receipts in fiscal 1947 will be substantially higher than estimated. However, some of the reduction in expenditures for 1946 is a deferral of expenditures into 1947 or subsequent years. It is too early, therefore, to make any reasonably accurate betterment of estimates for 1947.

It is the aim of our fiscal policy to balance the budget for 1947 and to retire national debt in boom times such as these. In our present fight against inflation, fiscal policy has a vital role to play. A continuation of our present policy, which is to maintain the existing tax structure for the present, and to avoid nonessential expenditures, is the best fiscal contribution we can make to economic stability.

The following table summarizes the budget outlook for fiscal 1946.

FEDERAL BUDGET EXPENDITURES AND BUDGET RECEIPTS

FISCAL 1946

Including net outlays of Government corporations and credit agencies (based on existing and proposed legislation)

	January Budget ^a estimate	Revised estimate	Change
Expenditures:			
Defense, war, and war liquidation.....	\$49,004	\$48,683	—\$321
Aftermath of war; Veterans, interest, refunds.....	10,953	11,303	+350
International finance (including proposed legislation).....	2,674	1,614	—1,000
Other activities.....	4,408	3,004	—1,404
Activities based on proposed legislation (excluding international finance).....	250	50	—200
Total expenditures.....	67,229	64,654	—2,575
Receipts (net).....	38,609	42,932	+4,323
Excess of expenditures.....	28,620	21,722	6,898

^a Expenditures under supplemental appropriations are distributed among categories.

80 Remarks Upon Presenting the Collier's Congressional Awards to Senator Vandenberg and Representative Monroney.

April 11, 1946

THIS IS a very great privilege to me, to have the honor of making these awards. I know both of these gentlemen personally. I know what they can do. I know what they have done. I know that they have earned those awards by hard work.

First, I want to congratulate the Committee on doing this sort of job, and I want to express my appreciation to Collier's and to the Committee for making this presentation in this manner, instead of using food that ought to go to starving people.

So, Senator Vandenberg, this is indeed a pleasure and privilege on my part. Congratulations to you. I congratulate the country.

[Upon accepting the award, Senator Vandenberg stated that he was grateful, and to

the President particularly, for "I wouldn't be here at this spot today if you hadn't left the Senate, because you would be here instead of me." The President then resumed speaking.]

That is awfully nice of you to say, but I have my doubts on that.

Congressman Monroney—Mike, it gives me a lot of pleasure to present this award to you. I think you did a remarkable job on that reorganization plan for Congress, and I hope it will be carried out.

[Following the presentation of the award to Representative Monroney, the President resumed speaking.]

I hope Collier's will keep up this program, because in the Senate and in the House men

get nothing but rocks and mud most of the time. When they do get a compliment, it is an event in their lives, isn't that true?

But I know that the Congress is made up of men who honestly have the welfare of the country at heart. And I hope that this will be an incentive to those men who feel, most of the time, that they are only going to have bricks thrown at them. This sort of recognition shows them that there are people in the country who do appreciate what they are doing.

It is a pleasure to me, I assure you. I appreciate the privilege.

[At this point the President was handed a check by William L. Chenery, publisher of Collier's. The President then resumed speaking.]

I have just got a check for the \$5,000 it would have cost to make these awards at a public dinner. This goes to the starving people of other countries. Thank you a lot. I will turn it over to the American Red Cross.

NOTE: The presentations were made by the President in a ceremony at the White House. In his remarks he referred to the Collier's Congressional Awards Committee (see Item 60).

81 Address at the Dedication of the Home of Franklin D. Roosevelt as a National Shrine. *April 12, 1946*

Mrs. Roosevelt, Mr. Chairman, Mr. Secretary, distinguished guests, ladies and gentlemen:

We stand in reverence at this hallowed spot consecrated to the memory of a great American who has become a great citizen of the world. We stand here in solemn tribute. All over the globe, plain people join with leaders and statesmen in recognition that it was largely because of him that civilization has survived. Only history can do him full justice.

The loss which America suffered through the death of Franklin D. Roosevelt cannot be softened by the spoken word. Tributes can only emphasize our loss. But those of us who have survived him in the seat of government can pay homage to his memory by our deeds.

The progressive and humane principles of the New Deal embodied the great hope which in an hour of extreme crisis President Roosevelt gave to the American people. As carried out in practice, the New Deal became the realization of that hope. It was a

recognition of the basic truth that this Government exists not for the benefit of a privileged few but for the welfare of all the people.

Those principles and their execution in practice have today become an accepted part of our way of life. When an employee joins a union, when an investor buys a share of stock, when a man buys a house or a farm on credit, when he puts money in the bank, or grows and sells his crops, or gets cheap electricity, when he lays aside part of his income for unemployment or old age insurance, those principles are right there by him—and on his side.

These same principles apply to legislation assuring full production and full employment, legislation for a health program, a social security program, an educational program, a program to provide emergency housing for veterans and to solve the long-range problem of decent homes for all Americans. These and other progressive measures stem from the principles for which President Roosevelt fought, for which we, who are

carrying on after him, now fight, and for which we shall continue to fight.

In the foreign field, President Roosevelt's guiding thought was that this Nation as a good neighbor must play an active, intelligent, and constructive part in world affairs. He saw clearly that we cannot continue to live isolated from other nations. He knew that what happens on other continents must affect the welfare of our country.

He recognized, above all, that our hope for the future of civilization, for the future of life itself, lay in the success of the United Nations. He not only recognized these truths. He determined to do something about them. And he did.

His foreign policy called for fair, sympathetic, and firm dealing with the other members of the family of nations. At the same time, it recognized our obligations to the starving and homeless of other lands. It recognized the solemn duty of this country toward nations which have been weakened in the death struggle against tyranny.

For these principles of international cooperation, we are determined to fight with all our strength. We are determined to do all within our power to make the United Nations a strong living organization; to find effective means of alleviating suffering and distress; to deal fairly with all nations. These principles were the basis of the for-

eign policy under Franklin D. Roosevelt. They are still the basis of our foreign policy.

In the aftermath of a global war the overall task is difficult. But it can be simply stated: it is to carry forward the underlying principles and policies, foreign and domestic, of Franklin D. Roosevelt. Changes may be required here and there to meet changing conditions. Fundamentally the objectives are the same.

We are here not only to do honor to the immortal spirit of Franklin D. Roosevelt. We are here to gain strength for what is ahead—to gain it from the inspiration of his deeds, from the inspiration of the humane principles which brought them to pass.

Here, where he was born, in the spot which he loved best in the world, he is now at rest. We shall not soon see his like again.

May Almighty God, who has watched over this Republic as it grew from weakness to strength, give us the wisdom to carry on in the way of Franklin D. Roosevelt.

NOTE: The President spoke from the portico of the Roosevelt home at Hyde Park, N.Y., at 2:45 p.m. at a ceremony which marked the first anniversary of the death of President Roosevelt. Among those present, in addition to Mrs. Franklin D. Roosevelt, were: Newton B. Drury, Director of the National Park Service and Chairman of the ceremonies; Paul E. Fitzpatrick, chairman of the New York State Democratic Committee, and Julius A. Krug, Secretary of the Interior. The address was carried on a nationwide radio broadcast.

82 Statement by the President Concerning Preparations for Nuclear Tests in the Pacific. *April 12, 1946*

PREPARATIONS for the atomic bomb tests in the Pacific are being pressed forward and I have been assured that the present target dates for the explosions will be met. I am in complete agreement with the Joint Chiefs of Staff and the Secretary of War and the Secretary of the Navy in their

view that these tests are of vital importance in obtaining information for the national defense. Without the information from these experiments, designers of ships, aircraft and military ground equipment, as well as our strategists, tacticians, and medical officers, will be working in ignorance regard-

ing the effects of this revolutionary new weapon against naval and other targets not previously exposed to it. These tests, which are in the nature of a laboratory experiment,

should give us the information which is essential to intelligent planning in the future and an evaluation of the effect of atomic energy on our defense establishments.

83 Address Before the Governing Board of the Pan American Union. *April 15, 1946*

Your Excellencies, ladies and gentlemen:

I have long looked forward to this opportunity to meet with the members of the Governing Board of the Pan American Union.

No one can address a meeting of the representatives of the Republics of the Western Hemisphere without thinking of the men who did so much to strengthen the bonds of friendship and cooperation among them—my predecessor, Franklin D. Roosevelt, and his great Secretary of State, Cordell Hull. The names of President Roosevelt and Mr. Hull will be revered in history for many accomplishments. A long line of inter-American conferences and inter-American agreements shows how successful has been their Good Neighbor Policy.

History will also record President Roosevelt's many efforts before 1939 toward preventing war and spreading this Good Neighbor Policy to the rest of the world. The madness and desire for world conquest on the part of the Axis dictators and aggressors prevented the spread of the Good Neighbor Policy. But even while the United Nations waged war to defeat the Nazis and Fascists, the United States began to lay the solid foundations for a Good Neighbor Policy for the whole world. I need not repeat to you the steps which were taken by our Government under Roosevelt's leadership. You are familiar with them, and you know how solidly the foundations were laid.

Based on those foundations, the United

Nations has now been launched on its career. It must succeed. I know it will succeed.

Before us now lies a new era in which the power of atomic energy has been released. That age will either be one of complete devastation, or one in which new sources of power will lighten the labors of mankind and increase the standards of living all over the world.

It is a great and dangerous adventure we face. In it the people of all the American Republics will have to play their part. During the 1930's the special part which the American Republics played in world history was to perfect and strengthen their methods of consultation and cooperation. They did this primarily to meet the growing threat of war from overseas. And when war finally came, the weight of the Americas was overwhelmingly on the side of the forces which defeated the Axis powers.

In the years that lie ahead, it will be the task of the American Republics to do their part to create and maintain a system of world peace which will eliminate the fear of war and establish in its place a rule of justice and world cooperation.

To maintain a lasting peace, the peoples of the world have now shown their willingness to use force, if necessary, to prevent aggression or the threat of aggression.

We all realize, however, that the exercise of this kind of force, while it may hold aggressors in check, will not eliminate the deep causes of unrest such as those respon-

sible for World War II. Underneath the Nazi madness were the material distress and spiritual starvation born of poverty and despair. These evil forces were seized upon by evil men to launch their program of tyranny and aggression.

The danger of war will never be completely wiped out until the economic ills which constitute the roots of war are eliminated. To do that we must achieve the kind of life—material, cultural, and spiritual—to which the peoples of this world are entitled. To that objective we must all dedicate our energies and resources.

I know of no one word which more fully embodies this objective than the word “democracy.” It was the symbol and the hope of democracy which liberated the world from Nazi and Japanese slavery. Democracy was the objective which gave strength to the brave men and women of the underground in the enslaved countries of Europe and Asia. Democracy is the rallying cry today for free men everywhere in their struggle for a better life.

We all appreciate that this word “democracy” carries different meanings in different languages. In different parts of the world it will have different connotations. It is fortunate that we of the Pan American Nations do have certain common, fundamental understandings of what the word “democracy” means. Despite our differences in language and cultures, we do have in common a love of liberty, a recognition of the dignity of man, and a desire to improve the material and spiritual well-being of our citizens.

Time and again the American Republics have met to reaffirm their devotion to those ideals of democracy. They have done this in the face of constant propaganda for Nazi and Fascist doctrines. In the postwar world these American Republics will reaffirm the

bold stand for democracy with which they have resisted the forces of reaction from abroad during the last decade.

Only recently, at the Inter-American Conference on Problems of War and Peace, at Mexico City, they repeated “their fervent adherence to democratic principles, which they consider essential for the peace of the Americas.”

Certain political rights are fundamental to freedom—free speech, a free press, the right of peaceable assembly, freedom of conscience, and the right of the people to choose their own form of government.

It is obvious that these goals require first of all the efforts of each nation within itself. But if we have learned anything in the last decade it is that no nation can stand alone. Only through a genuine cooperative effort can these goals be achieved in the world at large. They require international cooperation for expanded production, increased world trade, and development of natural resources so that all efforts to improve living standards may rest upon a solid basis.

That kind of cooperation is inherent in the principles which have guided the Pan American program in the past. We must translate those principles into effective action and tangible results in the future.

Our American tradition rests on the belief that the state exists for the benefit of man. The American Republics have overwhelmingly rejected the false doctrine that man exists for the benefit of the state. We must now prove that international cooperation, too, exists for the benefit of man. The peoples of the Americas have a right to expect of the Pan American system that it show its validity by promoting those liberties and principles which the word “democracy” implies to them. Pan American solidarity must prove itself to be in fact a bulwark of peace.

If we dedicate ourselves to this objective, we shall make the fullest contribution to the welfare of our own people, and of the world at large. By giving tangible expression to the meaning of democracy, we shall widen and strengthen its hold upon the imagination of the world. In that way we can revitalize,

through our Pan American cooperation, the faith of the peoples everywhere in their ability to build a peaceful world upon a firm foundation.

NOTE: The President spoke at the Pan American Union Building at 12:15 p.m. The address was carried on a nationwide radio broadcast.

84 The President's News Conference of *April 17, 1946*

THE PRESIDENT. [1.] I have got a couple of ambassadorial appointments to announce: George V. Allen of Maryland—to Iran; and Edward F. Stanton of California—to Siam.

[2.] And then there will be available for you, when you go out, a report by Howard Bruce on surplus property. It is a most interesting report, and gives an outline of the surplus property situation as it is today, with certain recommendations which are being carried out.

And that's about all I have to offer.

[3.] Q. Mr. President, how do you spell Mr. Stanton's last name?

THE PRESIDENT. S-t-a-n-t-o-n—Edwin—Mr. Ross. *Edwin*, isn't it, Mr. President? E-d-w-i-n.

THE PRESIDENT. E-d-w-i-n F—Stanton.

Q. F for Frank?

Q. Is he a career man?

THE PRESIDENT. F is his middle initial. He is a career man, yes.

Q. How about Allen? Career—both career men?

THE PRESIDENT. Yes.

Q. On that ambassadorial subject, Mr. President, I understand quite a number of prominent persons have spoken to you and written you about Mr. Earl Brennan, with a background of 8 years in Italy for the State Department, and former head of an

OSS section. Are you considering him for the Rome post?

THE PRESIDENT. No. Nobody is under consideration for that.

Q. Mr. President, has the present Iranian Ambassador resigned—our Ambassador?

THE PRESIDENT. Yes. Resigned on account of his health. Very good man, but he has come home on account of his health—Mr. Murray.

Q. Mr. President, there have also been reports that you have already decided on James C. Dunn for the Rome post. Are they correct?

THE PRESIDENT. That's the first I've heard of that. No, I haven't been considering anybody for the Rome post. Feel satisfied with the man that's there, so far as I know.

Q. Is that the George Allen who was in the Near East section of the State Department?

THE PRESIDENT. It's not the George Allen who is a Director of the Reconstruction Finance Corporation! [*Much laughter*] Yes, that's the one, in the State Department.

[4.] Q. Mr. President, your meeting this afternoon with the Secretary of the Navy and Admiral Nimitz—can you tell us about that conference, what you expect to take up?

THE PRESIDENT. This conference was requested by the Secretary of the Navy and

Admiral Nimitz to discuss unification.

Q. Does that group include any of those, Mr. President, that have been lobbying?

THE PRESIDENT. Not that I know of. I don't think Admiral Nimitz or the Secretary have been lobbying.

[5.] Q. Mr. President, has Mr. Hannegan contacted you lately, in regard to this caucus tonight?

THE PRESIDENT. No, he has not. I saw, though, where the Republicans had been invited to that—[*laughter*]*—*which is a good thing. Somebody down there must have made the same sort of error that they did at the Democratic Committee.

[6.] Q. Any comment to make, Mr. President, on the statement Sunday on the radio that you would veto the Bulwinkle bill if passed by Congress?

THE PRESIDENT. No comment. I never make any comment on a bill before it reaches me because I don't know in what form it will come. The Bulwinkle bill is not yet through the Senate.

[7.] Q. Mr. President, what is your reaction to the proposal that Americans voluntarily, one day a week, go on a diet similar in caloric content to these European countries—

THE PRESIDENT. I think it would be a wonderful thing for them to do that—for 2 days a week.

Q. 2 days?

THE PRESIDENT. They would know, then, exactly what it means to go hungry. Most of us are eating too much. We throw too much away. There is enough wasted every day in this country to feed all the starving peoples for the time that we have to take care of them.

Q. Is that every week, Mr. President?

THE PRESIDENT. Every week—until the famine is over.

[8.] Q. In connection with Mr. Hanne-

gan, Mr. President, have you been considering a new Democratic chairman—national—

THE PRESIDENT. I am not. The committee decides who the chairman will be, anyway. I am not considering a new one. I like Mr. Hannegan.

[9.] Q. Mr. President, there is a report in the State Department carrying—handling the disposal of patents, particularly Alien Custodian patents, which have been vested in foreign governments. Has that come over to you?

THE PRESIDENT. No. I don't think it finally has come over to me. I have been discussing it, however, with all the people that are interested, but I don't think the final order has yet reached my desk.

Q. Can you make any comment on your discussion?

THE PRESIDENT. No.

[10.] Q. Mr. President, did you read about Mr. Lehman's speech, saying he didn't think the administration has done everything it could do in this food crisis?

THE PRESIDENT. I think Mr. Lehman is very much mistaken. Of course, Mr. Lehman's heart is in this thing, and I am glad it is, because we have got to make every effort possible to feed these people. But if Mr. Lehman made the statement that the administration is not doing everything it can to meet the situation, he is mistaken in that. Mr. Anderson, I think, covered the situation thoroughly.

[11.] Q. Mr. President, do you have any nomination in sight, for filling the vacancy on the Maritime Commission?

THE PRESIDENT. No. Not right at the present time.

[12.] Q. Mr. President, did you see Senator Robertson's charges, that the Army is also very vigorously engaged in lobbying on the unification proposal?

THE PRESIDENT. No, I didn't see that. I didn't know that they were. I don't believe in lobbying by the departments. I believe that these men should go down and express their views to the committee, and let the committee make up its mind on the facts. That was my policy when I was running a committee in the Senate.

[13.] Q. Mr. President, do you intend to fill that vacancy on the Federal Communications Commission—

THE PRESIDENT. Federal Communications Commission? I am considering several people for that. I will fill it eventually.

Q. Do you think you will do it soon?

THE PRESIDENT. Not very soon.

[14.] Q. Mr. President, what was it that the Navy did that constituted lobbying? Did they really go down and ring doorbells, and so forth?

THE PRESIDENT. What does a lobbyist usually do? Whatever a lobbyist usually does, that is what they were doing. They were giving out interviews all over the world. I saw one go out from Hawaii by an admiral in charge over there, and I don't think he knew what he was talking about. And that is really what stirred me up.

Q. What admiral was that, Mr. President?

THE PRESIDENT. Melboe, wasn't it? [*Turning to his Naval Aide, Captain Clifford*] Was that it—Mel—? Whoever the admiral in charge of the Hawaiian station was.

[15.] Q. Mr. President, why should the Lichfield trials be moved to Germany? Why do you not bring them back here—

THE PRESIDENT. I don't know.

Q. —the Lichfield brutality trials?

THE PRESIDENT. I am not running that. That is at the War Department's own discretion. I am not running that. I didn't

know anything about it going to Germany. You have given me news.

Q. I understand they are going to be moved to Germany.

THE PRESIDENT. I hadn't heard it. I don't know about it. The best way—best thing is to ask the Secretary of War, I can't tell you.

[16.] Q. Mr. President, can you say how quickly Ambassador Allen will go to Iran, and whether he is taking any special instructions—

THE PRESIDENT. He will go immediately, and the Secretary of State will give him the usual instructions.

[17.] Q. Mr. President, the Secretary of Agriculture recently discussed with American bakers the proposal for—order for cutting down the use of flour. Does that order meet with your approval—the 25-percent reduction—

THE PRESIDENT. Yes, that was given my approval. It wouldn't go into effect if it didn't.

[18.] Q. Mr. President, a half-dozen Senators who are on the—kind of an "anxious seat," came out yesterday and told us that you had congratulated them highly on their achievements in the Senate. Could you tell us if that is so, and if so, why? [*Much laughter*]

THE PRESIDENT. I can't answer that question, I'm sorry, and I prefer not to comment on that—what the Senators made.

[19.] Q. Mr. President, I understand you receive a calf in the morning at 10 o'clock. Could you tell us where you intend to pasture it?

THE PRESIDENT. I will turn it over for food for the starving people. I'll probably send it to the Secretary of Agriculture.

Q. What was that you are going to receive, Mr. President?

THE PRESIDENT. A calf. Somebody said he was going to give me a calf.

Q. Is the Secretary of Agriculture starving? [*Laughter*]

THE PRESIDENT. The Secretary of Agriculture is the head of the food committee. He will take care of it. I don't think he's starving, nor anybody else in this country.

[20.] Q. Mr. President, going back to the Senators' visit yesterday, Mr. Ross announced afterwards that he understood all of these were candidates. Was Mead a candidate for Governor or Senator? Can you clear us up on that?

THE PRESIDENT. I didn't discuss it with him.

Q. Did he discuss it with you?

THE PRESIDENT. The best way is to talk to Senator Mead.

Q. You have talked with him, Mr. President. Did he discuss it with you?

THE PRESIDENT. No, he did not.

[21.] Q. Mr. President, have you seen Jesse Jones' blast against the British loan?

THE PRESIDENT. Yes, I saw it. [*Laughter*] No comment to make on it.

[22.] Q. Mr. President, if you were still a Senator, would you be in Senator Bankhead's group in regard to removing certain commodities from OPA?

THE PRESIDENT. I would not.

[23.] Q. In that connection, Mr. President, did you referee the dispute between the Secretary of Agriculture and Mr. Chester Bowles over milk subsidies?

THE PRESIDENT. I haven't discussed it with either one of them, but I will referee it if it becomes necessary.

[24.] Q. Mr. President, have you any comment on the House-passed draft bill?

THE PRESIDENT. On what?

Q. The draft—extending the draft—just passed in the House?

THE PRESIDENT. I prefer not to comment on it. I hope the Senate will pass a draft

bill that will work. [*Much laughter*]

Q. Mr. President, you don't think the House version would work, Mr. President? [*More laughter*]

THE PRESIDENT. Well, I will leave that to your own conclusions. If you read it, as I have, you will not.

[25.] Q. Mr. President, the railroads have asked the Interstate Commerce Commission for a 25-percent increase in freight rates—

THE PRESIDENT. I saw that in the paper.

Q. Have you any comment?

THE PRESIDENT. I have no comment to make on it. That is a matter for the Interstate Commerce Commission to handle.

Reporter: Thank you, Mr. President.

[26.] THE PRESIDENT. I was going to call your attention to the fact that discharges in the Army have almost reached seven million—as you can see. [*Holding up a graph*] The most remarkable demobilization in the history of the world, or "disintegration," if you want to call it that. [*Laughter*]

[27.] Q. Mr. President, are you planning a fishing trip to the Pacific coast this summer?

THE PRESIDENT. No. No fishing trip to the Pacific coast. I have been thinking very seriously about going to the Philippines. I hope I can go.

Q. Do you think that that will take you on to Japan?

THE PRESIDENT. That is something that will have to be decided as circumstances develop. I would like very much to go to Japan—China, too. But that depends on how business back here is.

Reporter: Thank you, Mr. President.

THE PRESIDENT. You're welcome.

NOTE: President Truman's sixtieth news conference was held in his office at the White House at 10:35 a.m. on Wednesday, April 17, 1946.

85 Telegram to Herbert Hoover, Honorary Chairman, Famine Emergency Committee. *April 18, 1946*

AN URGENT NEED has developed in this country to bring forcibly and dramatically to public attention, as a spur to the food-for-famine-effort, the facts about conditions in Europe which your visit and inquiries have brought to light.

Therefore, I wish to suggest the advisability of your return to the United States immediately after completion of the engagement in Cairo, in order to bring directly home to the American people your eyewitness account of the necessity for greater assistance from this country.

This would make your trip to India, China and Japan, by way of the United States.

The Famine Emergency Committee in

session yesterday with representatives of the Government Departments concerned, including the Departments of State, Agriculture and Commerce, felt that with only seventy-five days left in the current phase of the famine relief program, nothing should be left undone that can increase public response in ways to draw more wheat from the farms and to save more food in homes and eating places. Arrangements would be made for a large meeting in New York City and for others elsewhere.

HARRY S. TRUMAN

[Honorable Herbert Hoover, Honorary Chairman, Famine Emergency Committee, % American Embassy, Cairo, Egypt]

86 The President's Special Conference With the American Society of Newspaper Editors. *April 18, 1946*

THE PRESIDENT. It's a pleasure to have you here, and I will be glad to answer questions if I do know the answers. If I don't know the answers, I will just tell you I don't know. [Laughter]

This meeting, as I understand it, is for the purpose of finding out whether the President has good sense or not, and whether he knows how to use what little he has got. [More laughter] And I am perfectly willing to go through that sort of grilling. In fact, I take pleasure in it. And it is a pleasure to have you here, really.

So you can start in whenever you get ready. I am going to sit down! [Laughter]

[1.] John S. Knight [*President of the Society*]: Mr. President, we have just had a very interesting session with Mr. Benton, and at that session the members of the Society were not at all backward in the ques-

tions they directed to him. I hope they will be equally responsive now. So if any of you have any burning thoughts, I suggest that you present them immediately.

THE PRESIDENT. I have never seen a bunch of newspapermen who were backward. So proceed.

[2.] Q. Mr. President, I would like to ask how long you think it will be before the Army and Navy and Marine Corps are under one organization?

THE PRESIDENT. That's a humdinger, Mr. Daniels. Your experience as Secretary of the Navy ought to contribute to any answer to that question.

They are on the road to, I think, an agreement. We can't say much about it. But I had a very satisfactory session with the heads of the Navy yesterday, and I expect to call in my five-star advisory board, and before

we get through with it, I think we will have an organization that will work satisfactorily for the national defense of the country.

You know, what we are trying to do—what I am trying to do is set up an organization on the experience that we have had in the greatest war in history, so that that organization will be ready to operate in case of an emergency—which we hope will never come—and so that we will not have to feel around and organize a dozen different production programs, and a dozen different ideas before we actually are ready to operate.

God blessed us with the greatest set of military leaders that any country in the world ever had, in this instance; and also, gave us 2 years in which to get ready. That will not happen again.

[3.] Q. Mr. President, in view of what you just said, I wonder about the—what you think of the Central Intelligence Group, which does not seem to include the FBI?

THE PRESIDENT. But it does.

Q. It does?

THE PRESIDENT. Yes, it does. And the FBI is furnishing a great deal of the intelligence to the present Central Intelligence Group.

Q. To some of us it seemed that that was a natural nucleus for it.

THE PRESIDENT. Well, you want to be very careful in any of these things. What we have to guard against is a Gestapo, in this instance, and a military dictatorship, in the setting up of a national defense program. You must always be careful to keep that under civilian control, and under the control of officers who are elected by the people. Then you won't have any trouble in the future.

I have got no business giving you a lecture on free government, however. [*Laughter*]
[*Pause*]

Are you out of questions this early in the game? [*Laughter*]

[4.] Q. Mr. President, is the need for food throughout the world, to avoid starvation, as great as it has been pictured?

THE PRESIDENT. It's greater. You can't imagine how acute that situation is. Mr. Hoover will report to me and the country tomorrow over the radio at 7 o'clock—tomorrow evening. And he has made a complete survey of Europe, and he is on his way to Asia now, to see what the situation is over there.

It hasn't been painted nearly as bad as it is. I wish I could send each one of you to Greece and to Poland, and to—to Norway and to India, and to China and to the Philippines. I wish you could see just exactly what the situation is, and just talk with the commanders of the occupied zones which are our responsibility. It hasn't been painted any darker than it really is.

Q. Mr. President, aren't we falling down on getting supplies and shipping them?

THE PRESIDENT. To some extent, yes we are. And that is due to the situation that has developed as a result of anticipated higher prices by people who hold the materials in first hand.

Q. Mr. President, are we going to be able to organize and function fast enough to really save millions of lives as we should?

THE PRESIDENT. I hope we are. We are doing everything that is humanly possible to accomplish the purpose.

Q. It looks bad, Mr. President.

THE PRESIDENT. It does look bad. No question about it.

Q. Mr. President, I have never seen any adequate account of what opportunity for self-help there may be in these countries. Some southern countries already should have some kind of crops coming in, unless they are completely lacking in feed and machinery, and that sort of thing.

THE PRESIDENT. There isn't any country

now that has a crop coming in this early, which is affected by starvation. You see, the crops—the grain crop in the southern hemisphere—in South Africa, for instance—was a total failure for 2 successive years. We didn't know about this last failure until it was too late to do anything about it. And the wheat crop in Australia was almost a total failure. In India, the rice crop has been a failure. In Malaya and Indochina—French Indochina, and in the Philippines, which usually had a surplus of rice for distribution, on account of war and devastation, didn't have any crops for the last 2 years. That is really what caused the difficulty. South Africa has been asking for 400,000 tons of corn, and they are usually an exporting country.

Q. During the summer, won't there be a leaf crop—vegetable crop—

THE PRESIDENT. The first crop they anticipate is the crop in North Africa, which is said to be very good. That will help, but our—the thing we are looking forward to is our own and the Canadian wheat crop, which will begin to be harvested in June—in Texas in June, and then go all the way north for the next 3 months. If that crop is as we anticipate it, it will help, but the emergency is the next 75 days.

[5.] Q. Mr. President, do you see any prospect for early steps toward international control of armaments?

THE PRESIDENT. Yes. I think we are approaching that, slowly and gradually. International control of armaments will depend on the success of the United Nations as the peace-making organization for the world. If the United Nations becomes a success—that is the thing I am working for with everything I have—the armaments will take care of themselves. If it doesn't become a success, then we'll have to take care of the armaments.

[6.] Q. Mr. President, how long will it be before the Philippines gets its independence?

THE PRESIDENT. The 4th of July, nineteen hundred and forty-six! That's the date set by law, and I hope I will be able to go there and help put them to work.

[7.] Q. Mr. President, do you believe that the amendments adopted by the House in regard to OPA will wreck the OPA, as Mr. Porter indicated this morning it would?

THE PRESIDENT. If that bill should become law, it would wreck OPA; but just because it has passed the House doesn't necessarily mean that it will become law. [*Laughter*] Let's wait and see what's said about it. [*More laughter*]

[8.] Q. The nomination, Mr. President, of an Ambassador to Argentina, is that to be interpreted as meaning that this Government no longer regards the government of President-elect Perón, now that he has an election mandate, as a potential menace to world security?

THE PRESIDENT. That depends on the actions of Mr. Perón himself. Let's wait and see what he does, before we come to a conclusion on that.

[9.] Q. Mr. President, do you care to comment on the argument that if Franco is overthrown in Spain it will be under Communist domination in Spain?

THE PRESIDENT. I don't know enough about that situation to give you an intelligent answer. I am sorry that the situation developed in Spain as it did when the Republicans were in control of that country. It is too bad they couldn't have stayed in control. We wouldn't have all this trouble now.

Q. Is there any difference between Republicans in Spain and Republicans in America, Mr. President? [*Laughter*]

THE PRESIDENT. I think it has—I think

those two words have an entirely different meaning. When we speak of—when we speak of Republicans in Spain, we speak of people who believe in a Republic. When we speak of Republicans in the United States, we speak of conservatives, who are not so strongly—*[lost in the laughter]*.

[10.] Q. Mr. President, do you care to comment on selective service?

THE PRESIDENT. I beg your pardon?

Q. Do you care to comment on selective service?

THE PRESIDENT. It is absolutely essential that selective service be extended for another year, if we are to carry out our commitments in the occupied countries. Unless we want to turn our backs on our responsibilities, it is necessary to continue selective service, until we have established a military policy in this country which will carry on without it.

[11.] Q. Mr. President, would you care to comment on the amendments to the extension of the draft, as passed by the House, exempting teenagers and delaying induction?

THE PRESIDENT. I will make the same comment I did on OPA. I hope we will get a bill out of the Senate that we can use. *[Laughter]*

Q. Mr. President, changing it from 18 to 20, of course, ends the draft for 2 years, because the 20's are already in—

THE PRESIDENT. That's right.

Q. What would you think, Mr. President, of the—raising the age from 26 to 28? Many church groups have opposed 19 and—18—and 19-year-old boys, because they are at an impressionable age. Would you care to comment on that—those staying at home, but taking the 27 and 28—26 and 27—

THE PRESIDENT. That might be helpful. The Draft Act of 1917 and 1918, if I remember correctly, was 21 to 31. It worked very satisfactorily, but we have started in on the

18-age program, and to change it now, as you say, would just leave us out of the draft for 2 years. It would be no use having it, because the next 12 months is when we need it.

[12.] Q. Mr. President, would you care to comment on the possibility of our getting some coal to keep our industries going in the next few months? *[Laughter]*

THE PRESIDENT. Mr. Lewis would like to have me comment on that. There is no comment. *[More laughter]*

[13.] Q. Mr. President, would you care to comment on the Bulwinkle bill?

THE PRESIDENT. No. I will comment on the Bulwinkle bill when it comes before me. It hasn't yet passed the Senate. Let's see what the Senate does to it.

[14.] Q. Do you care to comment, sir, on the prospect for an amicable settlement of the Iranian question?

THE PRESIDENT. No. I don't care to comment on that. I think that will take care of itself. The United Nations is handling it. The Government of the United States is well-represented there.

[15.] Q. A moment ago you made a statement about the next war, if it came, and we wouldn't have time to prepare—which would leave us at a disadvantage. Could you tell us something as to your opinion of the atomic bomb—would you care in advance of those experiments to enlarge upon that any further?

THE PRESIDENT. Well, if—what I am driving at is this. If the United Nations is a successful organization for the maintenance of peace, there will be no more reason for anticipating a war between the members of the United Nations than there would be for anticipating a war between Missouri and Illinois. But, if it is not a success, if it doesn't work, and then you simply drop back to the old power politics and spheres of influence,

you will have exactly the same trouble that we have had all the time.

So far as atomic energy is concerned, I think if we put that atomic energy release to its proper use, we are facing the greatest age in history. If we don't put it to proper use, we will just simply destroy ourselves.

You can put it to two uses: one is to put it to the use of welfare and security, and the other is to destroy yourself; and I don't think we are going to destroy ourselves. I think we are going to make proper use of it.

I am not a pessimist on that subject at all. I think we have got too much sense for that.

Q. Mr. President, are experiments particularly on the way to put atomic energy to its fullest peacetime use?

THE PRESIDENT. I didn't understand the question?

Q. Are we working on the—the project of utilizing atomic energy for industrial use?

THE PRESIDENT. Yes, we are. Yes, we are. We are trying to get a program implemented with the United Nations, so that the whole world can share in it. But that is a difficult proposition. It takes a lot of work, and it can't be done in 2 days. If we will do it in 3 or 4 years, we will be doing very well.

Somebody over here?

Q. Is it all right to rise twice?

THE PRESIDENT. Certainly.

Q. I apologize—my only excuse is that I am from Missouri—[*laughter*]—

THE PRESIDENT. You have to be shown, then. Go ahead.

[16.] Q. Mr. President, knowing that the Missouri Valley Authority plan has been started, would it be proper to ask if you hope eventually to see the MVA inaugurated in your first term of office?

THE PRESIDENT. Well, I sincerely hope that we will manage to get control of the Missouri River. You see, the Missouri River is a peculiar river. It's sort of like a Missou-

rian—it has to be shown. And it's in a different class from the Tennessee River, or the Columbia River, or nearly any other river in the country. It has everything that every other single river has, in the combination of all of them.

I am working on a program which I hope will give us authority to control that river for reclamation, and for power, and for flood control. It has—and for navigation. It has four different uses to which it can be economically well put. If we could save the flooded lands from being flooded, it would mean the saving of from 140 to 147 million dollars nearly every year—the crops alone—much more than the organization itself would cost.

[17.] Q. Mr. President, is there any possibility of this atomic bomb experiment being indefinitely postponed?

THE PRESIDENT. No, there isn't. The atomic bomb experiment will take place July 1st, if I remain President until that day. [*Applause*]

[18.] Q. Mr. President, would you care to tell us how much real progress Mr. Wyatt has made in breaking through the bottlenecks on housing?

THE PRESIDENT. I think he has made remarkable progress, and I think he is going to be successful in his undertaking. It depends altogether on cooperation in peacetime, which is a hard thing to get. There is no incentive to cooperate like there is in war. Bring anybody here during wartime and you get results from him—he was glad to help the Government. Now they are all trying to help themselves, and it's just as hard as hell for the President to get any help. [*Laughter*]

[19.] Q. Mr. President, would you say something on how far in your viewpoint the—we would go, and how long we would go, in the Government subsidies?

THE PRESIDENT. I would like to continue—discontinue Government subsidies tomorrow. And if you will give me a magic way in which to get the production machine rolling, so that we can put the merchandise on the shelves full, I will take them off tomorrow. We can quit them just as quickly as we can get the shelves full.

Q. Agricultural too?

THE PRESIDENT. Agricultural, too. I am not for subsidies, but it is necessary now, owing to conditions over which I have no control, brought about by the war.

[20.] Q. Mr. President, would you care to say how soon there will be an official declaration ending World War II?

THE PRESIDENT. I can't answer that question. That depends on the production program, also. I would like to end it tomorrow, if I could. I am in just as big a hurry to end it as you are to end it, but I am afraid—I took off some controls a little too quickly as it was, and had to put some of them back. I don't enjoy the controls any more than you do. It's a headache every day in the week. On Sundays, too! [*Laughter*]

[21.] Q. Mr. President, has the difficulty of the United Nations in finding a location been embarrassing to this Government in any way?

THE PRESIDENT. It has been embarrassing to any hospitable—it would be embarrassing to any hospitable host, to have one of the greatest organizations in the history of the world kicked around as the United Nations Organization has been kicked around in finding a site.

I wasn't consulted, and couldn't very well be consulted on the location. I had in my mind one or two propositions to make to them, but when they made up their minds that it had to be north of the Potomac River and east of the Appalachian Mountains,

there wasn't very much we could give them in the way of public land. It has been embarrassing, however—bound to be.

[22.] Q. Mr. President, reverting to that food topic, I just returned from Europe with six other editors, and we were—we ran into reports over there, that in the Scandinavian countries they have a big surplus of meat and dairy products; in fact, one of the last stories I read in a London paper was that their warehouses were bulging with meat, but they couldn't get any ships to carry it over to Britain and France. Why can't they get ships? Out in California we have got all kinds—

THE PRESIDENT. They couldn't get ships? If that is true, we will furnish them the ships. We will make ships available to them. I don't know. I haven't heard of it there.

Q. The papers had quite a few stories over there, and I was wondering why they couldn't get ships, what with the surplus of Liberty ships that we built during the war—

THE PRESIDENT. You see a lot of things in the papers, sometimes, that you are not right sure about. [*Laughter*] Well, I hope that's true. If it is true, we will furnish them the ships.

[23.] Q. Mr. President, what, if anything, can you say to us about relations with Russia?

THE PRESIDENT. Our relations with Russia are as cordial as they have always been. When two horse traders get to bargaining, they sometimes get pretty rough with each other, but they hardly ever wind up in a fist fight. They usually make a trade. That is what we propose to do with Russia.

I have no feeling but of the friendliest sort for Russia. I am friendly to Great Britain, also. But the United States is in the position where we have to act as a sort of umpire

in this world situation, and we want to be friendly with all of them. But the interests of the United States of America are those first items in which we are interested.

[24.] Q. Mr. President, do you think that the United States people will respond to your plea for voluntary rationing, so that people won't starve in Europe, or do you think a return to rationing will be necessary?

THE PRESIDENT. A return to rationing is impossible at this time. They must respond to the voluntary situation. Rationing could not be reimplemented under 3 months. That is too late. This thing has to be taken care of in the next 75 days. That must be pounded home.

And I think most everybody has got a heart in his body big enough not to want children and people, who are not responsible for this situation, just to starve; because we have got too much. There isn't any reason in the world why we can't do the job. It can't be done any other way, except voluntarily. It will be too late 3 months from now.

Q. Mr. President, do you contemplate using Mr. Hoover for any other purpose than the present one to which you have already assigned him?

THE PRESIDENT. No. No. I think he is very well qualified to do this job. I think you will find, when he reports, that he has done a remarkably good job on this situation. He has helped us tremendously. I was very glad to have his help.

Q. Mr. President, in view of the answer you just gave a moment ago, do you think that any useful purpose will be served if what you previously said about the extent of the famine conditions abroad—conditions abroad could be made public?

THE PRESIDENT. Yes, I think it should be made public. I am trying my best to make it public in every way possible. In fact, I

am going to talk about it to the Nation tomorrow night, on the radio at 7 o'clock.

Q. Could that particular remark be taken off the record?

THE PRESIDENT. I will take it off the record, yes.

Q. Mr. President, on that same subject, may I ask you, according to the reports that are reaching you, to what extent has voluntary saving of food consumption been affected—what has been its impact on the shortage?

THE PRESIDENT. It's too close to the time to give you an intelligent answer. I can't, right this minute.

I never saw such a dry—dry newspaper conference in my life! [*Laughter*]

[25.] Q. Just to get out of the dryness, I will ask you how you came out on that question of the striped tie and dinner jacket? [*Laughter*]

THE PRESIDENT. I was informed by the head of the Merchant Tailors Association that I was absolutely correct on that, and it came from the head of the company, so I guess they know what they are doing. I have been wearing it around a year and a half to two years, and nobody ever noticed that before.

Q. Mr. President, where can I get one for Saturday night?

THE PRESIDENT. I will lend you one! [*Laughter*] If you can't get it, I will lend you one. [*More laughter*]

[26.] Q. Mr. President, I don't know how long you can stay with us, but would you save a little time at the end to play us, perhaps, the Missouri Waltz? [*Laughter, and great applause*]

THE PRESIDENT [*laughing*]. I fear I have got a very bad reputation. They say, "Don't shoot the piano player, give him a chance." [*More laughter*]

Well now, as a young man, I did take

some music lessons and learned to play some pieces, but since I was about 16 or 17 I have had no opportunity to do any fingerwork, and these old fingers don't work like they used to. I can't play the Missouri Waltz, anyway. I might play you a minuet, or something like that. [*More applause*]

[27.] Q. Mr. President, would you care to comment on the reason for the suddenness of this food crisis in Europe not breaking until a month or two ago, when we had not heard of it at all?

THE PRESIDENT. Yes, I can tell you exactly how it happened. I think I can. I know how it came to me.

We did not discover it, of course, until December and January, that the crop failure in the southern hemisphere was as total a failure as it had been, which we had been going on up until August, if you remember. And the crops in all the devastated countries were naturally a failure. We had anticipated a full crop in the southern hemisphere, and we thought we ourselves had more surplus grain than it turned out we did have. We also had hoped to get in wheat from Argentina, which we are now getting.

And along in the latter part of January, the famine situation began to appear; and immediately, just as quickly as we found out that that was the case, I went to work on it immediately, with everything I could possibly bring to bear on it. We have been working at it ever since, but it was the result of war and famine—drought in the southern hemisphere is really what brought it about. We had been expending all our energies and everything we had for destruction, instead of construction. That had some effect on it.

[28.] Q. Do you think, Mr. President, because you have said this was rather a dry conference, that you can inject a little wet-

ness into it if you will answer this question? Are you a candidate for re-election in 1948? [*Laughter*]

THE PRESIDENT. I will answer that straight from the shoulder: no comment! On the record or off! [*More laughter*]

[29.] Q. Mr. President, would you care to review the issues involved in the British loan?

THE PRESIDENT. No. They have been thoroughly and completely reviewed before the Banking and Currency Committee of the Senate. I will send you a copy of the hearings, if you are interested. [*Laughter*] The report of that committee is an excellent report, and I would advise you to read it.

[30.] Q. Mr. President, would you care to say anything about China?

THE PRESIDENT. General Marshall is acting for me in China, and I am behind him with all I have; and he is doing a good job.

[31.] Q. Mr. President, pardon me, but you spoke about cooperation a minute ago. Can you say anything about the cooperation that is going on between the Southern Democrats and some of the Republicans?

THE PRESIDENT. I shall let them speak for themselves. You know, I was a Member of the Senate for 10 years, and I found that it didn't pay to fall out with a fellow because he was against you one time. The next time, when you needed him worse, he might be along on your side.

We must also bear in mind that everybody's tired—everybody's tired—everybody wants to quit. As I told you a while ago, it's difficult to find people who want to expend any energy now—they are all war weary.

The Congress hasn't been home since 1939 for any length of time. The last time I was at home was in September 1939—August '39; and then Hitler went into Poland, and Congress has been constantly in session ever

since then. Those men are just as tired as the soldiers—WPB—and all the rest of the people who fought the war here in Washington. Sometimes they get a little cranky with the President. But I am looking forward to the time when it will work out all right. I know it will work out all right, after November of this year. [*Laughter*]

[32.] Q. Mr. President, is not the continuance of subsidies on certain foods inconsistent with the program to save those foods for overseas use, in the sense that it encourages consumption in this country?

THE PRESIDENT. No. I don't think it does. I don't think it does. The subsidy thing is a pain in the neck anywhere you can look at it, but we have it on our hands, and we have to use it to the best advantage that we possibly can.

Q. Mr. President, do you feel that the American people are beginning to respond to your appeal to save food?

THE PRESIDENT. Yes, I do.

Q. You have that feeling?

THE PRESIDENT. Yes, I do.

Q. Mr. President, what is to be done with all of the foodstuffs that were piled up by the Army and Navy?

THE PRESIDENT. A great deal of it has been used. You see, the Army and Navy have been feeding the occupied countries with immense amounts of food.

Q. Pretty well used up now?

THE PRESIDENT. Yes. Pretty well used up. And we have had a pretty big Army and Navy to feed up to now. While we have discharged seven million soldiers about, and about a million and a half sailors, we still have about three and a half million men in the armed services.

Q. Mr. President, I just wanted to ask you whether any of this food that is to be

sent abroad will go to Germany or Japan, or whether it should or needs to go to Germany and Japan?

THE PRESIDENT. Yes. Some of it will. Some of it will. Some of the worst starvation areas are in Germany and in Japan.

Q. Mr. President, are any plans being made to fly food to Europe?

THE PRESIDENT. No. No. That is not necessary. If we can get the quantities, we can get it there all right.

[33.] Mr. Knight: Mr. President, I think I should say by way of explanation for the fact that this may have been a duller news conference than the ones to which you are accustomed, that in another administration one or two questions were usually good for an entire evening, and your short direct answers—[*laughter*—your short direct answers have rather exhausted the well more rapidly.

As a matter of fact, as you and I know, when you were in Chicago recently, the—this is a plug for the Chicago Daily News—[*laughter*—the teenage conference composed of high school editors in the Chicago area kept the President busy for quite some time.

THE PRESIDENT. I made a bet with the president of the Gridiron Club, that the teenage conference would be a harder one to make than this one, and I won! [*Much laughter*]

Mr. Knight: Thank you for your great help.

NOTE: President Truman's special conference with the newspaper editors was held in the East Room at the White House at 4:30 p.m. on Thursday, April 18, 1946.

Before the President spoke, John S. Knight, president of the Society, made a few informal remarks in presenting the group to the President.

87 Radio Appeal to the Nation for Food Conservation To Relieve
Hunger Abroad. *April* 19, 1946

[Delivered from the White House at 7 p.m.]

Good evening:

It is my duty to join my voice with the voices of humanity everywhere in behalf of the starving millions of human beings all over the world. We have a high responsibility, as Americans, to go to their rescue.

I appointed the Famine Emergency Committee to make sure that we do all we can to help starving people. We are particularly grateful to former President Hoover for undertaking a survey of the situation in Europe. The messages he has sent back have driven home again and again the desperate plight of people over there. We cannot doubt that at this moment, many people in the famine-stricken homes of Europe and Asia are dying of hunger.

America is faced with a solemn obligation. Long ago we promised to do our full part. Now we cannot ignore the cry of hungry children. Surely we will not turn our backs on the millions of human beings begging for just a crust of bread. The warm heart of America will respond to the greatest threat of mass starvation in the history of mankind.

We would not be Americans if we did not wish to share our comparative plenty with suffering people. I am sure I speak for every American when I say that the United States is determined to do everything in its power to relieve the famine of half the world.

The United States Government is taking strong measures to export during the first half of this year a million tons of wheat a month for the starving masses of Asia and Europe. Our reserve stocks of wheat are

low. We are going to whittle that reserve even further.

America cannot remain healthy and happy in the same world where millions of human beings are starving. A sound world order can never be built upon a foundation of human misery.

I am glad here and now to renew an appeal which I made the other day. I said then that we would all be better off, physically and spiritually, if we ate less. And then on 2 days a week let us reduce our food consumption to that of the average person in the hungry lands.

Once again I appeal to all Americans to sacrifice, so that others may live. Millions will surely die unless we eat less. Again I strongly urge all Americans to save bread and to conserve oils and fats. These are the most essential weapons at our disposal to fight famine abroad. Every slice of bread, every ounce of fat and oil saved by your voluntary sacrifice, will keep starving people alive.

By our combined effort, we will reduce starvation and, with God's help, we will avert the worst plague of famine that follows in the wake of war. I ask every American now to pledge himself to share.

The time for talk has passed. The time for action is here.

NOTE: The President's remarks were part of a special radio program on the world food crisis. Also speaking from the White House were Fiorello H. La Guardia, Director General of the United Nations Relief and Rehabilitation Administration, and Clinton B. Anderson, Secretary of Agriculture. President Hoover, Honorary Chairman of the Famine Emergency Committee, spoke from Cairo, Egypt. The remarks of Mr. La Guardia, Mr. Anderson, and President Hoover were released by the White House.

88 Proclamation 2688: Death of Harlan Fiske Stone.

*April 24, 1946**To the People of the United States:*

WHEREAS Almighty God in His everlasting wisdom has brought to an end the mortal life of Harlan Fiske Stone, Chief Justice of the United States; and

WHEREAS by this death the people of the United States have lost a distinguished lawyer and jurist who has for almost a quarter of a century contributed generously to public life as Attorney General of the United States and as Associate Justice of the Supreme Court and Chief Justice of the United States; and

WHEREAS the death of this public servant will be mourned throughout the Nation, and his life and achievement will be celebrated forever in the history of the development of our rich heritage of legal tradition:

NOW, THEREFORE, I, HARRY S. TRUMAN, President of the United States of America, do hereby officially announce the death of Harlan Fiske Stone, stricken in the public performance of his duties in the highest Court of this Nation in the City of Wash-

ington on the twenty-second day of April, nineteen hundred and forty-six, at six forty-five o'clock in the evening.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the United States of America to be affixed.

DONE at the City of Washington this twenty-third day of April, in the year of our Lord nineteen hundred and [SEAL] forty-six and of the Independence of the United States of America the one hundred and seventieth.

HARRY S. TRUMAN

By the President

JAMES F. BYRNES

Secretary of State

NOTE: The President also issued Executive Order 9715 (3 CFR, 1943-1948 Comp., p. 525) which directed that, as a mark of respect to the memory of Chief Justice Stone, and in recognition of his eminent and varied public services, the flag of the United States should be flown at half-staff for 30 days on all Government buildings in the United States and in foreign countries, and that appropriate military and naval honors should be rendered.

89 Letter to the U.S. Chairman, Anglo-American Committee of Inquiry on Palestine. *April 25, 1946**My dear Judge Hutcheson:*

I have received the report of the Anglo-American Committee of Inquiry on Palestine which you and the other American members of that Committee transmitted to me under cover of your letter of April 20, 1946.

I wish to take this opportunity to thank you and your American colleagues for the untiring efforts which you have exerted in preparing the report. In performing the task which I asked them to undertake, the

members of the Committee made considerable personal sacrifices and have given unstintedly of their time and energy.

Sincerely yours,

HARRY S. TRUMAN

[The Honorable Joseph C. Hutcheson, American Chairman, Anglo-American Committee of Inquiry on Palestine]

NOTE: The report, approved April 20 at Lausanne, Switzerland, is printed in Senate Document 182 (79th Cong., 2d sess.).

For the President's statement upon making the report public, see Item 92.

90 Statement by the President Upon Signing Bills Providing for
Philippine Rehabilitation and Trade. *April 30, 1946*

I HAVE TODAY signed H.R. 5856 and S. 1610, the two bills which constitute the heart of the program for Philippine Rehabilitation and Recovery.

On October 6, 1943, President Roosevelt called upon the Congress "to make provision to determine the adjustments necessary in the existing provisions of law which govern the economic relations between the United States and the Philippines so as to assist in making the Philippines, as an independent nation, economically secure."

That recommendation was made in the heat and desperation of struggle. It climaxed promises made to the people of the Philippines that not only would their land be liberated from the tyranny of the enemy, but that they would be given their full independence and would be rehabilitated from the ravages of war.

The enactment of H.R. 5856 and S. 1610 into law marks the fulfillment of the last of these promises.

In S. 1610, we are making provision for war damage payments to those who suffered war losses in the Philippines, and for the reconstruction and rehabilitation of public property. We are also undertaking to rehabilitate and develop those technical skills and services which will be essential for the survival and growth of the Philippines as an independent nation.

In H.R. 5856, we are providing for the establishment, through an executive agreement, of an unprecedented plan of preferential trade relations with the Philippines to last for twenty-eight years. We have never entered into similar agreement with any foreign government. Preferential trade relations are alien to the policy of this administration. In substance, however, H.R. 5856

is a rehabilitation act. Its sole purpose and guiding philosophy is to furnish a formula for the rehabilitation of the Philippine national economy through the encouragement of private enterprise and private initiative. H.R. 5856 provides an economic function for the buildings and factories which will be restored and rebuilt under the terms of S. 1610.

While it is unfortunate that the Congress saw fit to provide in S. 1610 that no war damage payment in excess of \$500 shall be made until the executive agreement shall have been entered into between the President of the United States and the President of the Philippines under the terms of H.R. 5856, to all practical purposes this provision is surplusage, as the benefits which will flow under the enactment of the two bills are so great as to ensure execution of the executive agreement by the Republic of the Philippines.

This is unprecedented legislation for the United States, but the situation itself is unprecedented. We are about to grant political independence to these people. Today we are giving them a chance to preserve and develop their nation on a temporary economic basis of trade preferences. Political independence without economic stability would be totally ineffective.

I am happy to approve these two measures, which give notice to the people of the Philippines and to the entire world that we are redeeming our promises to the heroic Philippine people.

NOTE: As enacted, S. 1610 is Public Law 370, 79th Congress (60 Stat. 128); H.R. 5856 is Public Law 371, 79th Congress (60 Stat. 141).

The agreement between the United States and the Philippines respecting trade was signed at Manila on July 4, 1946, and entered into force January 2, 1947 (61 Stat. 2611).

91 Letter to Senator Murray Concerning a Bill for a National Health Program. *April 30, 1946*

Dear Senator Murray:

It has been most gratifying to observe the deep interest displayed and the progress made by the Senate Education and Labor Committee under your Chairmanship in the conduct of the hearings on S. 1606, the bill designed to give legislative effect to a large part of the National Health Message which I submitted to the Congress on November 9, 1945.

In providing generally for medical and hospital services under S. 1606, it is intended that these most essential and valuable benefits be within the reach of those persons who are not eligible for medical and hospital services under existing laws and be afforded to some persons already eligible therefor, in whole or in part, who for various practical reasons do not have such services made readily available. The latter aspect of the program is deserving of special attention to remove any doubts as to the real effects intended by the proposed legislation.

It is not intended that existing programs of medical and hospital services are to be supplanted. For example, it is not intended that our obligations to veterans for medical and hospital care shall be changed or impaired in either service connected or non-service connected cases. The special provisions for veterans under laws administered

by the Veterans' Administration reflect our nation's gratitude for their services and I urge that when the bill emerges from your Committee it provide in explicit terms for the preservation of medical and hospital services under laws administered by the Veterans' Administration.

A National Health program such as I have recommended, and as envisaged in S. 1606, would make it possible for persons to get complete medical and hospital services locally. As to veterans the program would merely provide additional means of securing medical and hospital care. Veterans with non-service connected disabilities, in common with others, would become entitled to out-patient treatment. As to persons eligible under other laws, particularly veterans, the program under S. 1606 would include the families of such persons for complete medical and hospital services which benefit is not now available to them.

I have conferred with the Administrator of Veterans' Affairs and the Federal Security Administrator and they share in my convictions.

Sincerely yours,

HARRY S. TRUMAN

[Honorable James E. Murray, United States Senate, Washington, D.C.]

92 Statement by the President on Receiving Report of the Anglo-American Committee of Inquiry. *April 30, 1946*

I AM VERY HAPPY that the request which I made for the immediate admission of 100,000 Jews into Palestine has been unanimously endorsed by the Anglo-American Committee of Inquiry. The transfer-

ence of these unfortunate people should now be accomplished with the greatest dispatch. The protection and safe-guarding of the Holy places in Palestine sacred to Moslem, Christian and Jew is adequately provided in

the report. One of the significant features in the report is that it aims to insure complete protection to the Arab population of Palestine by guaranteeing their civil and religious rights, and by recommending measures for the constant improvement in their cultural, educational and economic position.

I am also pleased that the Committee recommends in effect the abrogation of the White Paper of 1939 including existing restrictions on immigration and land acquisition to permit the further development of the Jewish National Home. It is also gratifying that the report envisages the carrying out of large scale economic development projects in Palestine which would facilitate further immigration and be of

benefit to the entire population.

In addition to these immediate objectives the report deals with many other questions of long range political policies and questions of international law which require careful study and which I will take under advisement.

NOTE: The President's request for the admission of 100,000 Jews into Palestine was made in a letter dated August 31, 1945, to Prime Minister Attlee (see 1945 volume, this series, p. 469).

The report, released with the President's statement, is printed in Senate Document 182 (79th Cong., 2d sess.).

On May 3 the White House made public a letter to the President from the American members of the Executive of the Jewish Agency expressing profound satisfaction with the Committee's action and pledging cooperation in carrying out the program.

93 Citation Accompanying the Medal for Merit Awarded to Julius A. Krug. May 1, 1946

CITATION TO ACCOMPANY THE AWARD OF
THE MEDAL FOR MERIT
TO
JULIUS A. KRUG

JULIUS A. KRUG, for exceptionally meritorious conduct in the performance of outstanding services as a member and as Chairman of the War Production Board from June 1941 to September 1945. Mr. Krug discharged with extraordinary skill and astute judgment an assignment involving the over-all direction of the war production effort. With sustained effort and outstanding initiative, he assured the effective utilization of the productive energies of the nation. His achievements in determining and establishing successful con-

trols over the flow of critical materials between various military and civilian agencies resulted in a constant and adequate supply of weapons and equipment to our fighting forces, and at the same time maintained the strength and vitality of our civilian economy to the extent that its ability to support the war program was never in jeopardy. Mr. Krug's exceptional administrative ability and effective coordination of all agencies engaged in war production constitute one of the most significant personal contributions to the successful prosecution of the war.

HARRY S. TRUMAN

NOTE: The presentation was made by the President in a ceremony at the White House at 11 a.m.

94 Message to the Congress Transmitting Corporation Supplement to the Budget for 1947. May 2, 1946

To the Congress of the United States:

In this document, for the first time, I am transmitting for congressional consideration the budget programs of all wholly owned Government corporations. The submission of these programs is a long-delayed forward step toward rounding out the Executive budget established by the Budget and Accounting Act of 1921.

The budget programs of the Government corporations are an integral part of the Federal Budget. They will be included hereafter in the Budget transmitted to the Congress in January. The present document is not a separate budget but a supplement to the Budget transmitted last January, necessary this year because the Government Corporation Control Act of 1945 became law too late for inclusion of these statements in the regular Budget.

The information contained in these budgets will provide a better opportunity than we have ever had before to present the interrelationships between the activities of corporations and those of other Government agencies. Thus, both the executive and legislative branches will be able to review the Federal program as a whole. Such a review means better appraisal of individual programs and better integration of the activities of each agency into the changing pattern of the Federal Government.

Corporations are used to carry out a broad range of Government programs largely of a revenue-producing type. They make loans and guarantee loans of private institutions to businessmen, farmers, home owners, foreign governments and other borrowers. They insure private individuals against loss from crop failure, price declines, war damage, and other hazards. They have con-

structed and are now managing many vital war plants throughout the country as well as navigation and flood control projects, electric power plants, and other enterprises in the Tennessee Valley. They operate railroads, a steamship service, barge lines, and terminals. They purchase, stockpile, and sell commodities in domestic and foreign markets. They administer many of the wartime subsidy programs, either through direct payments or through purchase and sale operations at a loss.

Each corporation is a unit, but each is a part of a broader Federal program. Hence appraisal of individual corporations should be based upon their contribution to achievement of these broader programs.

In the main, Government corporations operate in the borderland area where the general welfare requires action but the risks of loss are too great or the prospective return too small to attract adequate private capital. They supplement or assist private business, rather than supplant it. Some corporations operate at a loss because of marginal operations designed to provide public services below cost, and this must be taken into account in interpreting their financial statements.

The chief source of loss by Government corporations during the war years has been the payment of production, transportation and food subsidies authorized by the Congress. Several of these wartime subsidies have now been eliminated. Others, however, have had to be increased. Much as I regret the necessity, continuance of these programs is essential to hold the line against the forces of inflation. I have said before, and I repeat here, they will be reduced and discontinued promptly as soon as the infla-

tionary pressure slackens. I hope and expect this will occur by the end of the fiscal year 1947.

Legislation is now pending which would provide premium payment subsidies from corporation funds to finance expansion in the supply of building materials and which would establish other aids urgently required for the Veterans Emergency Housing program. Enactment of the full program which I have requested is essential to provide an adequate supply of housing for our returning veterans. I also urge prompt consideration and enactment by the House of Representatives of the legislation approved by the Senate designed to raise the long-run housing level of the nation.

Almost all of the corporations whose budget programs I am transmitting were organized to meet specific depression or war emergencies. Many have finished their jobs and are well on the road to liquidation. Others, however, will probably continue as more or less permanent Federal agencies, with major functions changing from time to time. The Reconstruction Finance Corporation, for example, has proved so useful during the depression and the war that it has become one of the major instrumentalities for conducting the postwar business activities of the Federal Government. I recommend, therefore, that its statutory authority be extended beyond the present expiration date of January 22, 1947.

Under the Government Corporation Control Act, all wholly owned corporations organized or acquired in the future must be Federally chartered, and the 16 corporations not now Federally chartered must either cease activities (except for liquidation), or be reincorporated by Act of Congress before June 30, 1948. Moreover, in any case where the activities of a corporation are more nearly analogous to non-

business services of the Federal Government, or where for other reasons it would be more practicable to handle its budgets like that of a regular Government agency, the Director of the Bureau of the Budget, with the approval of the President, is authorized to recommend such action to the Congress.

As part of the investigations necessary to carry out these provisions of law, I am requesting the Director of the Bureau of the Budget to reexamine and redefine the role of Government corporations. The findings of these studies will be useful not only in effectuating the specific provisions of the Act, but also in determining the basic principles to be followed in reviewing the existing charters of Federally chartered corporations as they come up for renewal. Thus, through successive steps we shall continue to move forward in developing a more consistent and integrated organizational pattern for the business-type activities of the Federal Government.

In our business operations, the Federal Government, like private business, needs greater flexibility than the customary type of appropriation budget ordinarily permits. Some Government corporations are committed by statute to support prices, furnish electric power, pay insurance claims or meet other demands which may experience wide and unexpected variations because of circumstances beyond their control. Other corporations supply credit or other services to clients who often cannot forecast their own needs in advance, or who will request Government services only if and when the same services cannot be obtained from private institutions. These difficulties can be overcome by the use of business-type budgets.

The budget programs submitted place primary emphasis upon the types of programs specifically authorized by law or by

the charter of each corporation. Many corporations have very broad grants of authority. Through their budgets, they apprise the Executive and the Congress of the manner in which they plan to use their available resources, and the funds they expect to devote to each type of program within the limits set by their authority.

In developing budgetary controls applicable to the corporations, the wisest course appears to be to progress carefully, through experiment and evolution. I recommend that the Congress approve the types of programs set forth in the budgets transmitted herewith, and, in addition, provide general authority for actions necessary to meet unforeseen emergencies or contingencies arising subsequent to approval of the budget. In such emergency situations, I suggest that corporations be permitted to initiate new programs, even though these are not specifically included in the budget approved by the Congress, provided such programs are within their existing authority. Such new programs will be initiated, however, only after approval by the President and the new programs will be promptly transmitted to the Congress. No program will be undertaken prior to congressional approval if it requires increased borrowing authority. Enactment of these provisions is essential to preserve the flexibility required to meet changing business conditions while maintaining the necessary control of corporate activities.

The accompanying document consists of a summary narrative and supporting tables, followed by detailed presentations of the budgets of the 34 wholly owned Government corporations and certain related non-corporate housing activities. Each budget contains narrative material together with financial statements.

These budgets have been prepared on the

basis of existing accounting records. One by-product of the budgetary and auditing requirements of the Act which we hope to realize is an improvement in these records, with a corresponding improvement in future budgets. The present budgets provide more information on the current and future programs of Government corporations than has ever been previously reported.

The summary statements reveal that the level of operations for corporations as a group will decline during the fiscal year 1947 because of the continued liquidation of wartime programs. Commodity purchases of 3.0 billion dollars will amount to less than half the 1945 levels. Funds received from the sale of fixed assets will exceed additions to these assets. Subsidy payments of 1.9 billion dollars will be somewhat lower than in 1946. On the other hand, lending activity will jump from 2.6 to 4.6 billion dollars, as both domestic and foreign borrowers make use of the Government's financial facilities.

Total assets by the close of the fiscal year 1947 will be 16.2 billion dollars, a decline of 400 million dollars during the fiscal year. Book value of plant and equipment will be 6.8 billion dollars. Outstanding loans will amount to 6.0 billion dollars. Inventories of 1.3 billion dollars include 470 million dollars in metals and minerals declared surplus and available for transfer to stockpile.

For the group as a whole, a total net loss of 4.0 billion dollars is anticipated in the fiscal year 1947. Subsidy payments, price-support operations and losses on sales of surplus property account for an estimated loss of 3.4 billion dollars. Expenditures from appropriations to convert temporary war housing are responsible for most of the remaining loss. Expanded lending operations, power operations and many other activities will show profits.

The programs of individual corporations fall into five major groups.

The Reconstruction Finance Corporation and its subsidiaries expect to liquidate a substantial part of the plant and equipment constructed during the war. Loans to businesses and to finance the program of the Rural Electrification Administration, however, will expand rapidly.

Under the existing program of the National Housing Agency and its constituents, well over one-half of the expenditures during the fiscal year 1947 will be devoted to completion of the program for provision of 200,000 temporary housing units for veterans financed from appropriated funds. War-deferred low rent housing projects will be resumed. Insurance of loans to finance construction of new housing and repairs to existing homes will double the 1946 volume. Liquidation of wartime public housing and of the prewar loans of the Home Owners Loan Corporation will progress rapidly.

The price support operations and subsidy payments of the Commodity Credit Corporation will again involve large expenditures, but inventories will continue to decline from the high wartime levels. The Federal Farm Mortgage Corporation will cease making new loans. Most of the other wholly owned corporations supervised by the Secretary of Agriculture expect a further decline in the volume of their financing activities.

With its broadened lending authority, the Export-Import Bank anticipates disbursements possibly as high as 2.0 billion dollars on loans to finance purchase of American commodities and to provide the necessary minimum credit for postwar reconstruction abroad. The five corporations created by the Office of Inter-American Affairs by the close of the fiscal year will either be in liquidation, or nearing completion of cooperative international programs.

The principal corporations engaged in the regional development of resources and transportation facilities, the Tennessee Valley Authority, the Panama Railroad Company and Inland Waterways Corporation, are all planning to make substantial expenditures to construct new plant or to purchase new equipment.

Net new borrowing of the 34 corporations will amount to 3.0 billion dollars over and above retirement of debt. Outstanding obligations, almost entirely held by the Treasury Department, will amount to 15.8 billion dollars, on June 30, 1947. New capital investments of 300 million dollars through purchase of Export-Import Bank stock, previously authorized, will provide additional funds. On the other hand, the budgets of six corporations provide for return of 48 million dollars in capital funds to the Treasury, and the payment of 10 million dollars in dividends.

By June 30, 1947, the Federal Government will have a total investment of 4.8 billion dollars in the capital stock and paid-in surplus of these corporations. This capital investment will be impaired to the extent of 8.5 billion dollars from cumulative deficits arising almost entirely from the heavy volume of subsidies and other loss-creating activities during the war period.

In this Budget I am recommending that the Congress appropriate 921 million dollars to restore the capital impairment of the Commodity Credit Corporation, as of June 30, 1945. This impairment has already been reflected in the public debt. Additional prospective impairment arising from losses in the fiscal years 1946 and 1947 will require appropriations in subsequent years. The remaining capital impairment for Government corporations is almost entirely confined to the Reconstruction Finance Corporation and certain of its subsidiaries.

Until the amount can be more accurately determined, I am not recommending any action by the Congress.

Neither continuance nor restoration of capital impairment alters the budgetary deficits or surpluses. With minor exceptions, the financing of Government corporations is already handled by the Secretary of the Treasury, and net expenditures and receipts of corporations for three years have been included in the Budget total of expenditures. Consequently, appropriations to restore impairment involve merely transfers of funds between Government agencies. They do not affect the Treasury's borrowing

requirements or the total public debt.

I also recommend reduction of 1.0 billion dollars in the borrowing authority of the Federal Farm Mortgage Corporation. With the substantial liquidation of its depression loans, the cessation of new loans, and the broadened lending authority of the Federal land banks, the Corporation's borrowing authority is now far in excess of its foreseeable needs.

HARRY S. TRUMAN

NOTE: The documents accompanying the message are printed in House Document 541 (79th Cong., 2d sess.).

95 The President's News Conference of May 2, 1946

THE PRESIDENT. I have no announcements to make today, but I thought maybe you might want to ask me a question or two, and I had better let you in and let you ask them. So, fire away.

[1.] Q. What assurances did you give Mr. Byrnes yesterday about the French loan and some increased shipments of wheat?

THE PRESIDENT. I gave him none.

[2.] Q. Mr. President, do you plan to make use of your reorganization authority soon?

THE PRESIDENT. Yes.

[3.] Q. Mr. President, I understand you saw Ed Pauley and Dean Acheson this morning.

THE PRESIDENT. Yes, I did.

Q. Did you discuss Mr. Pauley's forthcoming trip?

THE PRESIDENT. Yes.

Q. Got any assurances that he can get into Manchuria? Have you any comment on that situation?

THE PRESIDENT. No. I have no comment on that. I am sure he can.

Q. Mr. President, what about that Court appointment?

THE PRESIDENT. Just a moment. I will finish up with Mr. Pauley and then I will talk to you about that.

Mr. Pauley—I thought maybe you might ask me a question like that, and I just want to reiterate what I have said before to this press conference, that Mr. Pauley is carrying on in his capacity as Chief of the American Reparations Commission.

The resources and industries of Manchuria and Korea are basic to the formation of any long-range plan for the peaceful economy of East Asia. Mr. Pauley's interim report on Japanese reparations, removals, is a splendid plan for immediate action, to utilize the productive ability of Manchuria and Korea. At the present time, however, we have little information on their current productive ability. Therefore, no final pro-

gram of reparations for Japan can be evolved until we know more about the resources and industrial relations on the continent, particularly in Manchuria and Korea.

Since both the Secretary of State and I consider this to be a matter of considerable importance, we have got Mr. Pauley to undertake this firsthand study of the situation in Manchuria and Korea.

The Acting Secretary of State will have a statement on Mr. Pauley's mission.

And that is substantially what was in my letter asking Mr. Pauley to continue this.

Q. Has it been decided who is going with him?

THE PRESIDENT. You will have to ask Pauley.

Q. Mr. President, have the other governments involved in that problem been officially advised of his assignment?

THE PRESIDENT. Yes.

[4.] Q. Mr. President, have you seen General Simpson's report on reorganization of the Army?

THE PRESIDENT. No, I haven't.

[5.] Q. Mr. President, how about your Court appointments?

THE PRESIDENT. I have no comment.

Q. No comment! [*Laughter*]

[6.] Q. Anything on the Maritime Commission vacancy?

THE PRESIDENT. No comment.

Q. Could you tell us whether the Court appointment will come—

THE PRESIDENT. This young man over here wants to ask me a question. I'll come back to you, if you will give me time.

[7.] Q. The Anglo-American Commission of Inquiry on Palestine, Mr. President, recommended that other governments take care of the Jews in Europe, outside of the hundred thousand whose certificates were recommended to be granted in some way.

Has the American Government any comment, Mr. President, on—

THE PRESIDENT. I have no comment, outside the statement which I issued on the report of the committee. That statement stands as all I have to say at the present time.

Q. I was wondering if you could give us a slight hint on the Court appointment—tell us whether the Chief Justice is going to come from one of the present judges, or from outside?

THE PRESIDENT. No comment.

[8.] Q. Mr. President, do you favor the OPA expediting committee, which the Office of War Mobilization and Reconversion Advisory Board suggested?

THE PRESIDENT. I think it's a good idea.

[9.] Q. Mr. President, in connection with the Palestine report, could you say whether this country is prepared to accept any responsibility for disarming the so-called illegal armies in Palestine, to make possible the admission of the refugees?

THE PRESIDENT. Suggest that you read my statement on the report. I have nothing further to say than what is in that statement.

[10.] Q. Mr. President, will you allow Federal departments to bargain with unions whose constitutions permit strikes against the Government?

THE PRESIDENT. I don't believe in strikes against the Government. I don't think it legal, or ever will be. Whenever they are, the Government will cease to exist.

[11.] Q. Mr. President, in view of the renewed discussion of the possibility of rationing in the food crisis, could you update us a little on food, with particular reference to whether you now think rationing would be needed?

THE PRESIDENT. Well, rationing at the present time would not meet the emergency, because there isn't time to implement

it, as I have told you time and again. If there should be a disastrous crop failure, and it should become necessary for rationing, we will not hesitate to put it into effect.

Q. Barring crop failure, then, you don't think it will be necessary in the future?

THE PRESIDENT. I don't think it will do any good, under present circumstances. And if there is no crop failure, if we have bountiful crops, it won't be necessary.

Q. Some people have called for what they call—describe as drastic new measures to meet the situation. Have you any thoughts on that subject?

THE PRESIDENT. No, I have not. I have put in all the drastic new measures I can think of to meet this situation. It's a matter where the heart of the American people has to meet it; and I think it will.

[12.] Q. Mr. President, are you going to see the American fliers who have come here on behalf of Mikhailovitch?

THE PRESIDENT. They have discussed the matter with my Military Aide, and that is as far as it will go.

[13.] Q. Mr. President, may I ask you about that expediting committee for OPA? Is it now in existence? It was announced?

THE PRESIDENT. No. It's—it's contemplated, and I don't think it is necessary as yet.

Q. A part of OPA?

THE PRESIDENT. Yes.

[14.] Q. Mr. President, would you care to say whether you and Mr. Pogue discussed the disposition of the North Pacific air routes this noon?

THE PRESIDENT. I did not discuss it.

[15.] Q. Mr. President, do you plan to step into the threatened railroad strike?

THE PRESIDENT. I don't think it will be necessary.

Q. How about the coal strike, Mr. President?

THE PRESIDENT. The coal strike is a very serious situation. We are viewing it with alarm.

Q. You view it as a strike against the Government yet, Mr. President?

THE PRESIDENT. Not yet. If it becomes necessary, we will.

Q. Mr. President, if it becomes necessary then, you will?

THE PRESIDENT. Yes.

[16.] Q. You regard Secretary Forrestal's testimony yesterday as lobbying against the merger bill?

THE PRESIDENT. I do not. Did you read the whole of Secretary Forrestal's testimony?

Q. He is very much against the bill.

THE PRESIDENT. He didn't say so. He didn't say so. Read it very carefully. Mr. Forrestal submitted his testimony to me before it was—before he gave it. And he has a perfect right to say what he did, and I authorized him to do it.

[17.] Q. Mr. President, it has been thought that the Government may find it necessary to seize some of the wheat now held by elevators and mills. Do you think that will be necessary?

THE PRESIDENT. I do not.

[18.] Q. Mr. President, you haven't yet appointed, I think, the council for the full employment bill?

THE PRESIDENT. No, I have not.

Q. Is that coming soon?

THE PRESIDENT. I hope soon.

Q. Can you tell us anything about why that has been delayed? That's 2 months—

THE PRESIDENT. Difficult to find the men to fill the jobs. Should we find somebody that we think is capable of taking the job, he has got a better job, or doesn't want to consider Government service. That has been true ever since the war ceased. The good men are flocking to private industry for bigger pay. It's the most difficult thing

we have to face, is finding men for the places.

[19.] Q. Mr. President, I am puzzled by your statement that Secretary—

THE PRESIDENT. You shouldn't be. You shouldn't be. What I am going to ask you to do is read the statement. If you do that, you won't have any trouble.

Q. He is not opposing the merger—

THE PRESIDENT. He is not opposing the merger.

Q. —or the bill?

THE PRESIDENT. You wouldn't have so much trouble, if you would study these things carefully. [*Laughter*]

[20.] Q. Mr. President, during the war, Mr. Roosevelt found it necessary to seize the coal mines, and I remember Mr. Lewis didn't let the men go back to work even in the face of that. I wondered if you have contemplated that situation?

THE PRESIDENT. We will meet that situation when it comes before us.

[21.] Q. Mr. President, going back to the first question that was asked you, could you give us any information at all about the occasion and nature of your talks with Secretary Byrnes yesterday?

THE PRESIDENT. Mr. Byrnes was making his usual report to me. This is the third—second or third time he has phoned me from Paris on what was going on in the Big Four meetings. It was nothing unusual or out of the way at all.

Q. Mr. President, the New York Times had a very detailed story in which they said that—in actual quotation marks—that you told Mr. Byrnes that the Cabinet had taken up the French loan and that wheat situation yesterday.

THE PRESIDENT. I never heard of it. I never heard of it until I saw it in the New York Times.

Q. Did you know the Cabinet was meeting yesterday?

THE PRESIDENT. Yes, the Cabinet met yesterday, but we didn't discuss that situation.

Q. Where did they meet yesterday, Mr. President? I didn't know about it.

THE PRESIDENT. There are lots of things you don't know about. [*Laughter*]

Q. I thought we usually have it posted when the full Cabinet meets?

THE PRESIDENT. Well, sometimes it isn't. [*More laughter*]

Q. Mr. President, did you say that they did not discuss that situation?

THE PRESIDENT. Yes, they did not—

Q. What did they discuss?

THE PRESIDENT. —they did not.

Q. What did they discuss?

THE PRESIDENT. It's none of your business. [*Laughter*]

Q. Mr. President, could you tell us the occasion for holding a sort of Cabinet meeting without announcing it?

THE PRESIDENT. Well, I can hold a Cabinet meeting whenever I choose. I don't have to tell you about the Cabinet meeting.

[22.] Q. Mr. President, the United States has made some kind of reparations proposal to the Far Eastern Commission—some sort of plan. I wonder if that—is that the same thing as the Pauley plan?

THE PRESIDENT. Yes.

Q. Could you tell us anything about its content at this time?

THE PRESIDENT. No, I cannot. It will be released at the proper time.

[23.] Q. How long will it take this coal situation to reach a serious enough point, Mr. President, where you might seize the—

THE PRESIDENT. Your guess is as good as mine.

[24.] Q. Do you agree with Secretary

Anderson that controls on meat should be taken off in 90 days if the black market isn't solved——

THE PRESIDENT. I haven't given it any serious thought. If it is necessary to do that, we will do it.

[25.] Q. Mr. President, without discussing any contemplated change in the Supreme Court position, could you tell us about when you might be making the appointment—or sending the nomination——

THE PRESIDENT. No, I cannot. I am in no hurry.

Q. Mr. President, could you tell us what is causing—what apparently—apparently is the delay——

THE PRESIDENT. What do you mean? [Laughter]

Q. —the Chief Justice——

THE PRESIDENT. The same situation that I told you about awhile ago. The difficulty is finding the right man for the right place.

[26.] Q. Mr. President, did you express any preference as to what legislation you would like to have Congress act on before it adjourns?

THE PRESIDENT. Yes, I have, on several occasions. If you will read my message—the first message—you will see the measures in which I am very much interested.

Q. You—you hope that they will act on all of them?

THE PRESIDENT. Yes, I do.

[27.] Q. Mr. President, some time ago, Ralph Davies recommended that the Petroleum Administration wind up the 30th of April. Nothing has happened, no order has been issued liquidating it. Does that imply continued control——

THE PRESIDENT. It will probably be continued a while.

Q. How long is that "while" going to be? Can you guess?

THE PRESIDENT. No. I will let you know when it's time. It will be discontinued just as soon as it possibly can.

[28.] Q. Mr. President, have you given any consideration to the naming of a date for the end of the war emergency?

THE PRESIDENT. Yes. I have given it a lot of consideration.

Q. Could you tell us anything about it?

THE PRESIDENT. No, I can't.

Q. Have you reached any decision?

THE PRESIDENT. I have not.

Reporter: Well, thank you, Mr. President.

NOTE: President Truman's sixty-second news conference was held in his office at the White House at 4:05 p.m. on Thursday, May 2, 1946.

96 Statement by the President on the Forthcoming National Highway Safety Conference. *May 3, 1946*

THE MOUNTING TOLL of traffic fatalities in this country continues to be a cause for deep concern. More than 8,000 men, women and children were killed on the streets and highways during the first three months of this year. These tragic figures emphasize the need for a concerted attack on traffic accidents which I had in mind last December when I called a National High-

way Safety Conference to be held in Washington, May 8, 9 and 10.

It is a source of gratification, therefore, that Major General Philip B. Fleming, Federal Works Administrator and General Chairman of the Conference, is able to report that eight working committees composed of outstanding authorities on highway transportation, highway safety and related

fields, have made an exhaustive study of every phase of the problem and have developed comprehensive reports for the consideration of the conference.

Assurances have been received from governors, State and local officials, city leaders and principals in fields of highway transportation, traffic safety and accident prevention that they will come to Washington to cooperate in framing an effective program to reduce waste of life on the Nation's highways.

While programs are being developed on a national plan, its application is rightly a function of the States and communities.

Whatever the program evolved, we will attain the objective of saving lives only if the principles established by the conference are carried back to every community where Americans live and work—and where every man, woman and child is either a pedestrian or a motorist or both. Only effective State and local application of the program developed by the conference can reduce traffic accidents.

The Federal Government stands ready to cooperate in every way. By working together we can and will make our highways safe.

97 Statement by the President Concerning Plans for Development of California's Water Resources. *May 3, 1946*

THE WAR DEPARTMENT Civil Functions Appropriation Bill, 1947 (H.R. 5400), which I approved on May 2, 1946, makes appropriations for a number of thoroughly worth-while projects that will further the development of the water resources of the Nation. I am also glad to note that the Congress, by the addition of certain provisos to the item for the Kings River Project, California, has afforded an opportunity for assuring that the Federal reclamation policy, including repayment and the wide distribution of benefits, will apply to that project. This is in accordance with the view that I have heretofore expressed and the position repeatedly taken by the late President Roosevelt. It is consistent with the policies laid down by the Congress in the Flood Control Act of 1944.

Consistently with the action taken by the Congress on the Kings River Project, I propose in the near future to send to the Congress my recommendations regarding an over-all plan for the development of the

water resources of the Central Valley area in California. I am withholding action in that regard pending receipt of comments from the Governor of California. The overall plan for the Central Valley area of California will include means for achieving comprehensive development and utilization of its water resources for all beneficial purposes, including irrigation and power, and it will provide adequately for flood protection. It will have regard for the need for integrated operation of reservoirs which is essential for complete utilization of the land and water resources of the area. It will provide for application in the Central Valley area of the Federal reclamation policy—including repayment of costs and the wide distribution of benefits. I hope that the Congress will, by the adoption of that plan, act to put an end to a situation which, in California and in Washington, has been productive of administrative confusion as well as confusion to the general public.

In the meantime, in view of the legislative

history of the provisos in the Kings River item, and in view of the disadvantageous position in which the Government would be placed if repayment arrangements were unduly postponed, I am asking the Director of the Budget to impound the funds appropriated for construction of the project, pending

determination of the allocation of costs and the making of the necessary repayment arrangements.

NOTE: The War Department Civil Appropriation Act, 1947, is Public Law 374, 79th Congress (60 Stat. 160).

98 Statement by the President Upon Signing the Veterans' Priority Bill for Surplus Property. May 3, 1946

THE VETERANS' PRIORITY BILL for surplus property (S. 1757), which I have signed today, gives priority to veterans for the purchase of surplus property second only to the priority exercised by Federal agencies. This bill also directs the War Assets Administrator to set aside selected types of surplus property particularly in demand by veterans, for exclusive distribution to them for their personal use, as well as for their business, agricultural, or professional enterprises.

What helps the veteran helps the Nation. If by means of this law we can help the veteran to establish himself in a business or profession, assist him to maintain his technical skills, or contribute to his personal well-being and the health and comfort of his family, the country as a whole will be benefited.

It is only fair to warn the veterans, however, that many of them who will want to purchase items under this law are going to be disappointed. Items of surplus property being set aside for veterans are precisely those items in heaviest demand. They are not available in surplus in sufficient quantities to satisfy more than a small proportion of prospective veteran purchasers who have applied for them. Veterans will have the chance to take *all* of these surplus items. But individual veterans may not get certain

items they want, or the quantities they want.

No system of Government retail outlets selling surplus property direct to the veterans is contemplated. The Congress has made it clear that such action was not intended. However, the War Assets Administrator will, under the terms of the law, compile and widely publicize information as to the types and quantities of surplus property which has or will become available, for exclusive disposal to veterans in accordance with the provisions of the measure.

The list of critical items for exclusive disposal to veterans is as follows:

Classification:

Automotive vehicles.—Passenger cars (used), passenger cars (new).

Trucks.—Jeeps, all trucks 2½ ton or less.

Motorcycles, scooters.

Tractors.—D4 and R4 Caterpillar—36-45

Tractors.—D4 and R4 Caterpillar—36-45 DBHP or equal, D7 Caterpillar—61-90 DBHP or equal, D8 Caterpillar—91-140 DBHP or equal, TD9 International—36-45 DBHP or equal, TD14 International—46-60 DBHP or equal, TD6 International—46-60 DBHP or equal.

Construction, mining and excavating machinery.—Tractor-type scrapers, air compressors, batching plants, crushing and

screening plants, ditching machines, cranes, shovels and draglines.

Agricultural machinery.—Land levelers, plows.

Medical, surgical and dental apparatus and equipment.—Major operating tables,

operating lamps, field X-ray units, diathermy machines, dental units, dental chairs, dental cabinets.

Typewriters.

NOTE: As enacted, S. 1757 is Public Law 375, 79th Congress (60 Stat. 168).

99 White House Statement Concerning Controls Over the Price and Distribution of Meat. May 3, 1946

DURING the last few days there has been a series of unfortunate misinterpretations of the Government's intentions with regard to price and distribution controls on meat. This misunderstanding has apparently resulted from a confusion of terms.

The President wishes it clearly understood that as long as there are dangerous upward pressures on meat prices and as long as the Government has the authority to deal with them, price controls on livestock and meat will be firmly maintained.

Both Secretary of Agriculture Anderson and Economic Stabilization Director Bowles concur in this view.

The confusion on this question has apparently risen from misunderstanding of the term "meat controls" as it was used at the President's press conference on Thursday, May 2, and at a hearing of the Senate Banking and Currency Committee on May 1 at which Secretary Anderson testified. Both the President and Secretary Anderson took the term to mean, not price controls, but rather the slaughter controls which were reinstituted on April 28 by the Office of Price Administration and the Department of

Agriculture.

These controls are designed to direct the nation's livestock supplies back into established, legitimate channels and to reduce the operations of slaughterers who have increased their production to such an extent that they have upset normal meat distribution and have made it difficult to enforce price ceilings.

As Secretary Anderson pointed out in his Senate Committee testimony, this slaughter quota program brought the black market in livestock and meat under control after it was put into effect in April, 1945. It was dropped after V-J Day when meat supplies seemed ample.

There is every reason to believe that the slaughter control plan will work effectively again. But if for any reason it does not appear to be producing the desired results, other additional measures will be used to whatever extent seems necessary.

However, neither the President nor Secretary Anderson suggested that livestock and meat price controls could be abandoned with the demand for meat at its present extremely high level in relation to supply.

100 Statement by the President Upon Reappointing Myron Taylor
as His Personal Representative at the Vatican. May 3, 1946

I HAVE ASKED Mr. Myron C. Taylor to return to Italy as my personal representative to His Holiness the Pope, with the rank of Ambassador.

After the cessation of hostilities Mr. Taylor came home for consultation and report. I have studied his report of his several audiences with the Pope with interest and with profit. I feel that he can continue to render helpful service to the cause of Christian civilization if, at my instance from time to time, he resumes his duties in Italy. As on his previous trips Mr. Taylor will confer not only with the Pope but with other leaders in the spiritual world and in the world of politics and secular affairs as he travels through Europe in the fulfillment of his mission.

The cessation of active fighting has left the world in a state of unrest. In many quarters we witness lamentable conflicts of principle and policy. Out of all of this unrest and conflict, however, one conviction emerges as clear as the noonday. It is that we shall establish an enduring peace

only if we build it upon Christian principles.

In the dark days of 1940 President Roosevelt sent Mr. Taylor to Italy as his personal representative. His mission was most helpful to the cause of peace and in the alleviation of suffering brought about by the most awful conflict in the annals of mankind, and it will be, I am sure, equally useful in the future.

There is no minimizing the gravity of the days in which we live. I feel the necessity of having for my guidance the counsel and cooperation of all men and women of good will whether in religion, in government, or in the pursuits of everyday life. I have therefore sought the advice of leaders in religion of various convictions and allegiances, not only in this country but from abroad. I feel that all have a vital contribution to make. I shall continue to welcome the counsel of such leaders to the end that the voice of conscience may be heard in the councils of nations as they seek a solution of that age-old problem: the government of man.

101 Letter to Secretary Krug Concerning Termination of the
Petroleum Administration for War. May 3, 1946

My dear Mr. Secretary:

In keeping with the Administration's policy of winding up the affairs of war agencies as quickly as possible after their emergency responsibilities have been discharged, I have acted upon your recommendation to terminate, effective May 8, the Petroleum Administration for War, which has so successfully completed its wartime assignment.

I am in agreement with your views that

steps should now be taken to assure coordination in peacetime of the Federal Government's many interests in petroleum, petroleum products and associated hydrocarbons.

To the extent possible one agency must bear the primary responsibility for providing a focal point for leadership and information for the numerous agencies of the Federal Government dealing with petroleum. I, therefore, request that you under-

take the initiative in obtaining coordination and unification of Federal policy and administration with respect to the functions and activities relating to petroleum carried on by the various departments and agencies. Where practicable and appropriate governmental activities relating to petroleum should be centralized and I ask that from time to time you submit to me for consideration proposals looking to the accomplishment of this objective.

You should, through such office as you designate, serve as the channel of communication between the Federal Government and the petroleum industry, and as the liaison agency of the Federal Government in its relations with appropriate State bodies concerned with oil and gas. I have been impressed with the great contribution of government-industry cooperation to the success of the war petroleum program, and feel that the values of such close and harmonious relations between Government and industry should be continued. I, therefore, suggest that you establish an industry organization to consult and advise with you.

In this connection, I think it would be most helpful if Mr. Ralph K. Davies, Deputy Petroleum Administrator throughout the war, were to remain on for a brief period to assist in organizing and launching these

activities and to supervise winding up the affairs of the Petroleum Administration. Mr. Davies possesses a broad experience in oil, and enjoys a high standing both within Government and within the petroleum industry. I believe that his participation would assure the full cooperation and support that is so essential in the initial phase.

I need not emphasize to you the importance of petroleum in the life of the Nation and the consequent necessity for assuring the adequate and continuous availability of this vital resource. You are requested to keep me informed concerning significant developments in the petroleum field, and to consider and recommend such steps as may be necessary appropriately to safeguard our petroleum future.

Copies of this letter are being sent to the Secretaries of State, War, Navy and Commerce, for their information and guidance. I am sure you will find them ready to cooperate fully.

Very sincerely yours,

HARRY S. TRUMAN

[The Honorable, The Secretary of the Interior]

NOTE: Executive Order 9718 (3 CFR, 1943-1948 Comp., p. 527) providing for the termination of the Petroleum Administration for War was released with the President's letter.

102 Special Message to the Congress Transmitting Bill for Inter-American Military Cooperation. May 6, 1946

To the Congress of the United States:

I submit herewith for the consideration of the Congress a bill to be entitled "The Intra-American Military Cooperation Act" authorizing a program of military collaboration with other American States including the training, organization, and equipment of the armed forces of those countries. I

recommend that the Congress give this bill its favorable consideration and enact it.

For several years our Army and Navy have maintained cordial relations of collaboration with the armed forces of other American republics within the framework of the Good Neighbor Policy. Under authorization of the Congress, military and naval

training missions have been sent to various American republics. During the recent war, even prior to Pearl Harbor, this collaboration was intensively developed on the basis of inter-American undertakings for hemisphere defense. Training activities were expanded, and under the Lend-Lease Act limited amounts of military and naval equipment were made available to the other American republics as part of the hemisphere defense program. Forces from two of the American republics participated in combat overseas, and others joined in the defense of the shores and seas of the Americas at a time when the danger of invasion of our continents was all too great.

More recently the American republics have assumed new responsibilities, for their mutual defense and for the maintenance of peace, in the Act of Chapultepec and the Charter of the United Nations. The close collaboration of the American republics provided for in the Act of Chapultepec, the proposed treaty to be based upon that Act, and other basic inter-American documents, makes it highly desirable to standardize military organization, training methods and equipment as has been recommended by the Inter-American Defense Board.

Under the bill transmitted herewith, the Army and Navy, acting in conjunction with the Department of State, would be permitted to continue in the future a general program of collaboration with the armed forces of our sister republics with a view to facilitating the adoption of similar technical standards. Certain additional training activities, not covered by existing legislation, would be permitted. The President would also be authorized to transfer military and naval equipment to the Governments of other American States by sale or other method.

The collaboration authorized by the bill

could be extended also to Canada, whose cooperation with the United States in matters affecting their common defense is of particular importance.

A special responsibility for leadership rests upon the United States in this matter because of the preponderant technical, economic and military resources of this country. There is a reasonable and limited purpose for which arms and military equipment can rightfully be made available to the other American States. This Government will not, I am sure, in any way approve of, nor will it participate in, the indiscriminate or unrestricted distribution of armaments, which would only contribute to a useless and burdensome armaments race. It does not desire that operations under this bill shall raise unnecessarily the quantitative level of armament in the American republics. To this end the bill specifies that amounts of nonstandard material shall be sought in exchange for United States equipment.

It is my intention that any operations under this bill, which the Congress may authorize, shall be in every way consistent with the wording and spirit of the United Nations Charter. The bill has been drawn up primarily to enable the American nations to carry out their obligations to cooperate in the maintenance of inter-American peace and security under the Charter and the Act of Chapultepec which is intended to be supplanted by a permanent Inter-American Treaty.

It is incumbent upon this Government to see that military developments in which we have a part are guided towards the maintenance of peace and security and that military and naval establishments are not encouraged beyond what security considerations require. In this connection the bill provides that operations thereunder are subject to any in-

ternational agreement for the regulation of armaments to which the United States may become a party. In addition provision will be made for continuing coordination of the actual operations under the legislation with developing plans and policy in the field of armaments regulation.

In executing this program it will be borne in mind, moreover, that it is the policy of this Government to encourage the establishment of sound economic conditions in the other American republics which will contribute to the improvement of living standards and the advancement of social and cultural welfare. Such conditions are a prerequisite to international peace and security. Operations under the proposed legislation will be conducted with full and constant awareness that no encouragement should be given to the imposition upon other people

of any useless burden of armaments which would handicap the economic improvement which all countries so strongly desire. The execution of the program authorized by the bill will also be guided by a determination to guard against placing weapons of war in the hands of any groups who may use them to oppose the peaceful and democratic principles to which the United States and other American nations have so often subscribed.

In entering into agreements with other American States for the provision of training and equipment as authorized by the bill, the purposes of this program will be made clear to each of the other governments.

HARRY S. TRUMAN

NOTE: The draft bill, transmitted with the President's message, is printed in the Congressional Record (vol. 92, p. 4518).

103 Citation Accompanying the Distinguished Service Medal Awarded to Major General Philip B. Fleming. May 7, 1946

CITATION FOR DISTINGUISHED SERVICE MEDAL

MAJOR GENERAL Philip B. Fleming rendered outstanding service to the government from December 1941 to January 1946 as Federal Works Administrator. Under his energetic direction, a tremendous construction program, including a wide variety of buildings and facilities for the Army and Navy, was accomplished in the United

States, Puerto Rico, the Virgin Islands, Alaska, and Central America. By his resourcefulness in expediting projects of great magnitude General Fleming contributed to the successful conclusion of the war.

HARRY S. TRUMAN

NOTE: The presentation was made by the President at the White House at 12:15 p.m. in a joint ceremony also honoring Maj. Gen. Ulysses S. Grant III (see Item 104).

104 Citation Accompanying the Legion of Merit Awarded to Major General Ulysses S. Grant III. May 7, 1946

CITATION FOR THE LEGION OF MERIT

MAJOR GENERAL Ulysses S. Grant III as Director of Civilian Protection and Chief,

Protection Branch, United States Office of Civilian Defense from July 1942 to April 1944 displayed marked ability in devising programs for the safety of civilians in case

of disaster or enemy attack. Under his leadership and supervision, sound doctrines were devised and disseminated throughout the country, and the voluntary cooperation of thousands of agencies both within and outside the government was enlisted in carrying

out measures of broad and lasting significance.

HARRY S. TRUMAN

NOTE: The presentation was made by the President at the White House at 12:15 p.m. in a joint ceremony also honoring Maj. Gen. Philip B. Fleming (see Item 103).

105 Statement by the President Commending CARE.

May 7, 1946

THE GOVERNMENT of the United States is doing its best to take care of the food crisis in Europe at the present time, and UNRRA functions especially for this purpose. But individual Americans and groups of us can also send packages to friends, relatives or for general distribution when famine looms so closely over there. The Cooperative for American Remittances to Europe will supplement UNRRA and act as a means for the whole country to provide a hungry person

in Europe with food enough for three or four weeks. I commend it to the people of the United States.

NOTE: This statement was made public as part of a White House release stating that the President had that day purchased 100 CARE packages. The release further stated that Lt. Gen. W. N. Haskell, Executive Director of CARE, in thanking the President, expressed the hope that his "fine example" would be followed "by hundreds of thousands of American citizens."

106 Address Before the President's Highway Safety Conference.

May 8, 1946

General Fleming, ladies and gentlemen:

You are answering a call of last December to come to Washington from every State, determined to find ways and means of making our streets and highways safer. Your response to the call is most gratifying. The large assemblage here today represents the civic, business, and political leadership of the United States of America.

The forty-eight States and the District of Columbia all are represented by strong delegations, headed in many cases by the Governors. The delegations also include legislators, State and local officials concerned with highway safety, and many outstanding civic leaders active in community and State affairs.

We are honored also by the presence as observers of the ambassadors and other distinguished representatives of nearly two score nations in all parts of the world. It is a great pleasure to welcome them also.

I wish to thank the hundreds of men and women from all parts of the country who have contributed to the preliminary work of this Conference. I am especially grateful to the volunteers who have served on the staff set up by your Chairman, General Fleming; to the chairmen and members of the Conference committees; and to all the men and women who have given so generously of their support and cooperation.

The problem before you is urgent. Since

restrictions on highway travel were lifted at the end of the war, traffic accidents have been increasing steadily. With the 1946 automobile touring season still ahead, the toll of death and injury already has reached prewar proportions.

At the present rate, someone in the United States will die and a score will be injured during the few minutes I am speaking to you here today. During the three days of this Conference, more than one hundred will be killed, and thousands injured.

Now when I was in the Senate, I made a study of this problem, and I found at that time that more people had been killed in automobile accidents than had been killed in all the wars we had ever fought, beginning with the French and Indian wars.

That is a startling statement.

More people have been injured, permanently, than were injured in both the World Wars—from the United States.

The property damage runs into the billions. Never less than a billion dollars a year—usually more. Now, if those deaths and injuries were paid for on the basis on which injuries are settled when somebody is killed by a railroad, it would pay off half the national debt. Just think of that!

I succeeded in getting a bill through the Congress to require people to have certain qualifications in driving, before they could cross State lines. You know, in some States—my own in particular—you can buy a license to drive a car for twenty-five cents at the corner drug store. It's a revenue-raising measure. It isn't used for safety at all. Some States, at the time I made this investigation—I think there were seven or eight, including the District of Columbia—had license requirements which required drivers to know something about running a car—certain safety signals, to know a green light from a red one, to know which hand to

put out when he was going to turn right or left.

You know the old story about when a fellow sticks a hand out in a car, he is going to stop, back up, turn right, or turn left. That is about as much as a lot of drivers know about the rules of the road.

This bill of mine, that I introduced in the Senate, passed the Senate twice. The House killed it each time—said they didn't want to take any States' rights away from the States. Of course we don't want to take any States' rights away from the States, but something must be done to keep so many people from being killed and injured, and so much property damage done.

Now, when the States want to collect a little revenue, they would interfere with inter-State rights all right, at the State lines, and make trucks pay extra for coming in; but they take no steps to prevent you or me from being killed by some moron that has no more business at the wheel of a car than he has at the throttle of an engine.

The Nation cannot afford and will not tolerate this tragic waste of human resources.

For the most part, street and highway accidents are produced by carelessness and neglect. They can be sharply curtailed through a concerted effort, mobilized by this Conference and carried forward vigorously under your leadership in all parts of the country.

In the final analysis, such a program will depend for success upon the cooperation of the American people. Safety is fundamentally a private and personal responsibility which each of us must recognize and accept. I am confident that drivers and pedestrians everywhere will respond wholeheartedly to our appeal for safe and sensible conduct.

Government, of course, bears a primary obligation to the public safety. The provision of safe facilities for public travel, the

licensing of vehicles and drivers, the regulation of traffic movement, and the education and training in highway safety through our schools, all are responsibilities of local, State, and Federal Government.

Many activities of the Federal Government are directly related to the problem. One of these is the Federal-aid highway program. Federal jurisdiction extends also to the regulation of interstate commercial movement over the highways, and to research and fact-finding services having to do with the use of streets and highways.

Some of the Federal establishments, such as the Post Office Department, are concerned directly with the problem as operators of large numbers of motor vehicles.

Representatives of the Federal agencies having an interest in highway safety will participate with you in this Conference. The program which is formulated will have their full and active cooperation.

But the main share of public responsibility rests with the State and local government agencies. States and cities are responsible for enactment of the laws governing the use of motor vehicles on public thoroughfares, and for the enforcement of those laws. It is squarely up to them to deal with that small group of traffic incorrigibles—and the morons and the crazy people who have no business at car wheels at all—who cause so much trouble to so many. After all, the license to drive on the public highways is a privilege that can be denied if it is abused.

The States and cities are responsible in large part for building the highway facilities; for licensing the vehicles and the drivers; for regulating the movement of traffic; and for determining what safety instruction shall be incorporated in the curricula of our schools.

I can't too strongly emphasize the necessity for control of drivers by States and local

governments. It is perfectly absurd that a man or a woman, or a child, can go to a place and buy an automobile and get behind the wheel—whether he has ever been there before makes no difference, or he is insane, or he is a "nut," or a moron doesn't make a particle of difference—all he has to do is just pay the price and get behind the wheel and go out on the street and kill somebody.

That is actually what happens.

Now that is the responsibility of State Governments.

The Federal Government could regulate more interstate driving, but they haven't seen fit to do it. It has been impossible to get that regulation through the Congress. But people are literally murdered every day because we can't get that regulation in effect.

Uniformity in rules of the road is essential to safe and pleasant highway travel. Its achievement, under present relationships, also is a joint responsibility of the several State and local governmental jurisdictions.

It is not intended that the Federal Government shall encroach upon the rights and responsibilities of the States. At the same time, we cannot expect the Congress and the Federal Government to stand idly by if the toll of disaster continues to go unchecked. But they have been standing idly by for the last 25 years, and I think they will continue to stand idly by, unless you do something to force the control of this terrible weapon which goes up and down our roads and streets all this time. The challenge must and will be met. I firmly hope and believe that every agency of government, backed by the aroused support of its citizens, will meet its responsibilities fully in this field.

Through the use of modern techniques of enforcement, engineering, and education, many communities and States have achieved notable traffic safety records. Your committees have assembled these techniques for

Conference consideration. Out of their studies and reports, you can formulate a uniform and balanced highway safety program.

I urge you to take this program back home with you, and to take whatever steps are needed to see that it is adopted.

I appeal also to every driver and pedestrian for cooperation in making our streets and highways safer. Give this program

your earnest and continuous support, individually and through organized effort. In that direction lies the promise of a safer and a happier United States of America.

Thank you very much.

NOTE: The President spoke in the Departmental Auditorium at 11:20 a.m. His opening words referred to Maj. Gen. Philip B. Fleming, Federal Works Administrator, who served as general chairman of the conference.

107 Statement by the President on the Anniversary of V-E Day.

May 8, 1946

ON THE FIRST anniversary of V-E Day the people of the United States remember with grateful pride the men and the women of the United Nations whose unstinted sacrifices made the victory possible. The year that has passed has made us realize with greater awareness the nature of their gift to this and succeeding generations. They gave us not justice, but the opportunity to achieve it, not security, but the opportunity to win it, not peace, but the opportunity to make it. Let each of us judge for himself how well in the past year we have used what came to us at such great price.

These opportunities will not be ours forever. Unless we take advantage of them fully, quickly and selflessly, they will slip from our grasp. A year after V-E Day, the opportunities that it brought to build a just, secure and peaceful world are still with us. To the extent that we maintain our unity within ourselves and with other peoples, and to the extent that we dedicate ourselves wholly and unselfishly to the mighty tasks confronting us, they will become on succeeding anniversaries not narrowing but expanding vistas of the hopes of man.

108 Joint Statement With the Prime Ministers of Great Britain and Canada Concerning the Combined Food Board. *May 8, 1946*

THE PRESIDENT of the United States and the Prime Ministers of Great Britain and Canada issued the following statement today:

We announced on December 10, 1945 plans to terminate two of the combined supply boards but stated that the food shortages continued to be such that the Combined Food Board could not then be dissolved. It was thought at that time that the Combined Food Board might finish its work by June 30,

1946. More recently we have decided that this Board should be continued until December 31, 1946, because of the deterioration that has occurred in the world food situation in recent months and the need to continue to control the distribution of many foods with a view to preventing widespread suffering and starvation. The question of whether it will be necessary to continue the Board beyond the end of this year will be

reviewed after the food outlook for 1947 becomes clearer.

The recent deterioration in the world food situation has been due primarily to drought in many countries and to the fact that grain was consumed during the latter half of 1945 at a faster rate than was justified by actual supply. These developments came at a time when the food situation had already been undermined by factors attributable to the war. During recent months it has become apparent that serious shortages of basic foodstuffs probably will continue beyond the coming harvest. Under these circumstances it is essential that the Combined Food Board should continue its operations in order to promote the best possible utilization of world food supplies.

The commodity committees, which carry on the day-to-day work of the Board, con-

sist of representatives of major exporting and importing countries. These committees provide a forum in which the greatest possible measure of agreement is sought concerning the maximum of food which can be made available for export and the pattern of its distribution. The Board and the committees will continue to provide a forum for the integration of national programs and the assembly of the fullest information on supplies and requirements for the purpose of recommending allocation to the governments affected.

NOTE: The statement was released simultaneously in Washington, London, and Ottawa at 3 p.m., Washington time. Also released at the same time in Washington and London was an announcement of the forthcoming visit of Herbert Morrison, Lord President of the Council in the British Cabinet, to discuss with President Truman the world food crisis and to explore further measures to meet the situation.

109 Veto of Bill To Establish an Army Optometry Corps. May 9, 1946

To the House of Representatives:

I return herewith, without my approval, H.R. 3755, the purpose of which is to establish an Optometry Corps in the Medical Department of the Army. In my opinion a separate Optometry Corps would be out of harmony not only with the present structure of the Medical Corps, but also with the contemplated organization of the Medical Department of the postwar Army.

During the course of the war, the Army has utilized optometrists to the maximum extent consistent with sound medical practice. The Medical Department of the postwar Army will likewise utilize optometrists to the maximum extent practicable. It is contemplated that they, together with the other professional and scientific groups included in modern medical service, will constitute a

Medical Service Corps, with appropriate commissioned rank. However, our military personnel are entitled to the best medical care available; and the creation of additional separate corps will, in my opinion, hinder rather than facilitate the accomplishment of this aim. Medical care must be directed and coordinated by officers professionally trained and competent to recognize pathological conditions and assume complete responsibility for adequate care.

Furthermore, H.R. 3755 would establish a promotion plan providing more rapid advancement for optometrists than for most other branches of the Army and no persuasive reason is apparent why this particular group should be afforded more favorable treatment than others similarly situated.

HARRY S. TRUMAN

110 The President's News Conference of
May 9, 1946

THE PRESIDENT. I have no special announcements to make to you this morning. I thought you ought to have at least one press conference this week, so if you want to ask me any questions, I will try to answer them.

[1.] Q. What about the Supreme Court, sir?

THE PRESIDENT. Nothing to say, Merri-
man.¹

[2.] Q. Mr. President, do you have—
can you tell us about your plans to reorgan-
ize the Government?

THE PRESIDENT. Beg your pardon?

Q. Can you tell us about your plans to
reorganize the Government under the Re-
organization Act?

THE PRESIDENT. Yes, they are going for-
ward, and I will have some plans to send
to the Congress in a very short time.

[3.] Q. How about the coal situation,
Mr. President?

THE PRESIDENT. The coal situation is as it
was and continues to be.

[4.] Q. Mr. President, a group of South-
ern Senators served notice yesterday that
they would try at 1 o'clock today to set aside
the British loan and take up the Case bill
that went through the House. Do you think
that the loan should be set aside for imme-
diate action on that?

THE PRESIDENT. No. I think the loan is
just as important as that.

Q. Mr. President, they advance as an
argument for passage of the loan, that
failure to do so would push Great Britain
closer to Russia?

THE PRESIDENT. No. I don't think that
would happen, but I think it is necessary
to pass the loan, if we expect to carry on

trade agreements as we anticipate that we
will.

[5.] Q. Mr. President, yesterday on the
floor—day before yesterday, on the floor of
the Senate, Senator Morse said that he didn't
figure that you had used the full powers of
your great office in the settlement of this
coal strike. Do you feel that you have?

THE PRESIDENT. Yes, I have, and I will
continue to use them.

Q. Mr. President, do you feel that you
have any authority which might bring this
coal strike to an end, without the acquies-
cence of John L. Lewis?

THE PRESIDENT. I haven't gone into that
thoroughly yet. We are making that survey
now.

Q. In that connection—in connection with
the question asked a moment ago, Mr. Lucas
has a resolution which I think he is intro-
ducing today or tomorrow which would in-
crease your authority. I noticed that admin-
istration leadership in the Senate is opposing
it.

THE PRESIDENT. I haven't seen the resolu-
tion, and I don't know what it provides. I
have not been consulted about it.

[6.] Q. Are you any nearer selecting the
Supreme Court job than you were last week?

THE PRESIDENT. No.

[7.] Q. Mr. President, last week you
were asked if you would act in this coal
strike at the time when you felt that it was
a strike against the Government. At that
time you said you did not consider it a strike
against the Government, and when you did
you would act. Do you consider it a strike
against the Government as of today?

THE PRESIDENT. It is slowly and gradually
approaching that stage.

Q. Mr. President, would you approve any

¹ Merriman Smith of the United Press Associations.

union collecting a royalty on production?

THE PRESIDENT. I haven't gone into that phase of the situation, but I think the Wagner Labor Relations Act provides against that very thing.

[8.] Q. Mr. President, the Wage Stabilization Board, I believe, has approved a payroll tax in the case of electrical workers, to be paid by the Association of Manufacturers to the union. That is the principle of the welfare fund, and does not—

THE PRESIDENT. My understanding is that it is paid to a trustee for the use of the union—it isn't paid to the union.

Q. That is perfectly true.

THE PRESIDENT. That's right. That's a different thing.

Q. Different thing?

THE PRESIDENT. Different thing.

Q. The excise tax to be handed over to John Doakes—

THE PRESIDENT. That's a different thing.

[9.] Q. Mr. President, do you plan to get the parties in the railroad strike together?

THE PRESIDENT. I am hoping they will get together.

Q. Do you think that a strike would endanger the future success of the Railway Labor Act, in view of the fact that the unions have rejected factfinding?

THE PRESIDENT. I don't think they have rejected it as yet. Let's wait a while and see if it doesn't work out.

[10.] Q. Mr. President, you announced your support of Lew Douglas for president of the World Bank, and he turned it down, apparently. Who are you supporting now?

THE PRESIDENT. I have inquired of two or three high-powered gentlemen if they would take it. I have had no acceptances as yet. [Laughter]

[11.] Q. Mr. President, in connection with the coal strike again, this week you ap-

pointed an investigation board in connection with the airplane strike. We notice that there has been none appointed for the— with respect to the coal strike. Is there any particular reason why those—there isn't any—

THE PRESIDENT. The law provides for the appointment of one in the airplane strike, and there is no law providing for one in the coal strike.

Q. Is that what—

THE PRESIDENT. Civil Aeronautics Authority.

Q. Mr. President, when the coal strike has reached the point where you consider it a strike against the Government, will you seize the mines?

THE PRESIDENT. I will cross that bridge when I get to it.

[12.] Q. Mr. President, can you say anything about the evident breakdown of the Paris conference of foreign ministers?

THE PRESIDENT. No, I do not—as yet. Whenever that time comes, why Mr. Byrnes will be authorized to make an announcement on it.

[13.] Q. Mr. President, there are reports from Cairo this morning that King Ibn-Saud has sent you a letter, in which he threatens to withdraw American oil concessions if you don't follow Arab wishes in regard to Palestine. Have you any comment on that?

THE PRESIDENT. I haven't seen the letter.

[14.] Q. Mr. President, returning for a moment to this situation on the Hill, with regard to the coal strike, this Lucas resolution provides that if you seize—it gives you authority to seize the mines, or any plant where you would regard the public interest at stake, and provides that if you do that, that any worker who did not follow your request to go back to work would lose all seniority recognition under the Wagner Act,

and that any labor leaders who did not ask their men to go back to work in good faith, would be in violation of the law and be subject to fine or imprisonment. I wonder if you would favor something of that sort?

THE PRESIDENT. I haven't given that any thought, or any study. Whenever that comes up to me, I will take action.

Q. Mr. President, do you have any—do you desire any more law at present?

THE PRESIDENT. I asked for a law back in December, but they refused me.

Q. Do you still want that law?

THE PRESIDENT. I think it would be a good thing.

[15.] Q. Do you contemplate seizure of the railroads if necessary to keep them running?

THE PRESIDENT. Yes.

Q. You do?

[16.] Q. Mr. President, what about—have you anything to say about the draft situation in which the draft law finds itself today?

THE PRESIDENT. The draft law is in a very bad situation. I am very sorry action was not taken more promptly on it. It was urged, I think, as far back as last September.

[17.] Q. Mr. President, could you tell us anything about the nature of the letter that you received from King Farouk of Egypt this week?

THE PRESIDENT. No. I don't remember receiving anything but a letter enclosing some stamps which Egypt has issued, and he wrote me a letter and sent me those stamps. It had nothing to do with any international affairs whatever. [Laughter]

[18.] Q. Mr. President, have you read Walter Lippmann's articles on Germany?

THE PRESIDENT. Yes, I have read them.

Q. Would you care to comment on them?

THE PRESIDENT. Well, as I commented at

the Gridiron dinner: hindsight is a great thing. [Laughter]

Q. Mr. President, do you know of the existence of a German army in the British zone?

THE PRESIDENT. I do not, and I don't think there is one.

[19.] Q. Mr. President, the New York Times this morning has a story out of Paris, saying that there is—may be a drastic change in our foreign policy regarding Russia, inasmuch as Russia has not cooperated in the various fields. Is there anything you could say on that?

THE PRESIDENT. No, I haven't heard about it, and I make the policy. [Laughter]

[20.] Q. Mr. President, instead of just giving us answers to our questions, can't you kind of "lay out" the coal strike picture as you see it today, just so that we will understand exactly what your position is on this—

THE PRESIDENT. I would rather not discuss it today. I will discuss it at a later date for you. I would like to discuss it, but I am not ready to do so.

Q. Do you expect to do that, Mr. President, in a talk to the people?

THE PRESIDENT. No. I haven't contemplated that.

Q. Do you expect to call Mr. Lewis and the operators in a joint conference?

THE PRESIDENT. I have that under consideration.

Q. Mr. President, Mr. Lewis had a conference—before this coal strike began, you had a conference with John L. Lewis. Can you tell us what happened at that conference?

THE PRESIDENT. I would rather not discuss it at this time.

[21.] Q. Mr. President, with respect to Mr. Lippmann's articles, do you think that

in this instance hindsight is accurate?

THE PRESIDENT. I can't answer that, because I—[*laughing*—]I haven't been there myself to make the investigation.

Reporter: Thank you, Mr. President.

THE PRESIDENT. You're welcome.

NOTE: President Truman's sixty-third news conference was held in his office at the White House at 10:30 a.m. on Thursday, May 9, 1946.

111 Statement by the President Upon Meeting the President-Elect of the Philippines. *May 10, 1946*

I WAS HAPPY to meet today the newly elected President of the Philippine Commonwealth, who will, on July 4, be proclaimed President of the Republic of the Philippines.

General Roxas will have, as President Osmeña has had, the full and heartfelt cooperation of the United States Government in the many mutual concerns of Philippine-American relations. The United States is committed to the advancement of the national welfare of the infant Republic. We sympathize with the plight of the heroic

Philippine people. We shall continue to do whatever we can to help them on the road to economic recovery and national prosperity.

We discussed some of the more immediate needs of the Commonwealth. President-elect Roxas was authorized by President Osmeña to speak for the Philippine nation in these discussions. I expect to see General Roxas again before he leaves. The discussions will go forward with other officials of this Government.

112 Address at Fordham University, New York City, Upon Receiving an Honorary Degree. *May 11, 1946*

Your Eminences, President Gannon, fellow alumni, and friends:

It is very gratifying to be here at Fordham University in New York on the One Hundredth Anniversary of the granting of the Charter to this great institution of higher learning. I am very grateful for this degree of Doctor of Laws from Fordham. I am happy to become a fellow alumnus of the men who have gone out from Fordham and who are making such a substantial contribution to the Government and to their communities.

One of my able Secretaries is a graduate of this great institution, Mr. Matthew Connelly.

I should like in these few minutes to talk especially of the veterans who have enrolled in this University. For I think that there is great significance in the very fact of their being here—and of the veterans being in thousands of other universities, colleges, and schools throughout the land.

This Nation has a comprehensive program to return its veterans to civil life. That program is being carried out. The Federal Government, with the wholehearted cooperation of the various States, has provided many things for veterans—medical care, rehabilitation, loans for homes and farms and businesses; it is providing life insurance and soon it will provide adequate housing. All

these benefits are given not as a matter of favor but as a matter of right. Veterans must not be penalized for their war service.

Programs of this nature, though less comprehensive, were established for veterans of past wars. But today we find the beginning of a new and important concept—one which is given concrete evidence by the presence of veterans here today. That concept is that the Nation must provide for its veterans something more than pensions, something more than insurance, loans, and rehabilitation. For those who wish it, the Nation must also provide education.

An enormous and tragic deficit was accumulated during the war—a deficit in education—as millions of young men and women left behind them their books and their schools and colleges to go to war. Not only gratitude, but national self-preservation as well, require that this educational deficit be diminished or wiped out. By providing educational benefits for our veterans, the Congress has started us on the way to our goal.

Some doubt was expressed a few years ago as to whether there would be any interest among the veterans in these educational aids. There were those—I call them skeptics or men without faith in the youth of our Nation—who thought that only a handful of veterans would choose to come back to the quiet halls of learning. These men were wrong. The problem is not in the lack of veterans seeking education. The problem is to provide accommodations for those who seek it. Even some colleges which had been exclusively for women have had to open their doors to men students. The response of the colleges and schools to this thirst for knowledge of our veterans has been magnificent.

This desire for further schooling which has been evidenced by our veterans—men

and women who will be our leaders of tomorrow—is full of healthy promise for the future.

And may God give us those leaders, so that we may continue to assume that leadership which God has always intended us to take in this world.

The fact that so many veterans have taken advantage of these educational opportunities increases the heavy responsibility which rests upon our schools and colleges. In preparing our veterans and other young men and women to live in the new atomic age, education faces the greatest challenge in history.

There is profound truth in the first line of the new charter of the United Nations Educational, Scientific and Cultural Organization. The Charter declares: "Since wars begin in the minds of men, it is in the minds of men that the defenses of peace must be constructed."

I fear we are too much concerned with material things to remember that our real strength lies in spiritual values. I doubt whether there is in this troubled world today, when nations are divided by jealousy and suspicion, a single problem that could not be solved if approached in the spirit of the Sermon on the Mount.

The new age of atomic energy presses upon us. Mark that well! What may have been sufficient yesterday is not sufficient today. New and terrible urgencies, new and terrible responsibilities, have been placed upon education.

Ignorance and its handmaidens, prejudice, intolerance, suspicion of our fellow men, breed dictators. And they breed wars. Civilization cannot survive an atomic war. Nothing would be left but a world reduced to rubble. Gone would be man's hope for decency. Gone would be our hope for the greatest age in the history of mankind—an age which I know can harness atomic energy

for the welfare of man and not for his destruction.

And so we must look to education in the long run to wipe out that ignorance which threatens catastrophe. Intelligent men do not hate other men just because their religion may be different, or because their habits and language may be different, or because their national origin or color may be different. It is up to education to bring about that deeper international understanding which is so vital to world peace.

Intelligent Americans no longer think that merely because a man is born outside the boundaries of the United States, he is no concern of ours. They know that in such thinking lie the seeds of dictatorship and tyranny. And they know from sad experience that dictatorship and tyranny are too ruthless to stop at the borders of the United States and conveniently leave us alone. They know what World War II and the atomic bomb have taught them—that we must work and live with *all* our fellow men if we are to work and live at all. They know that those without economic hope, those to whom education has been forcibly denied, willingly turn to dictators. They know that in a nation where teachers are free to teach, and young men and women are free to learn, there is a strong bulwark against dictatorship.

That was the last message from President Roosevelt. In a speech which he wrote just before he died, but which he never delivered, he said:

“We are faced with the preeminent fact that, if civilization is to survive, we must cultivate the science of human relationships—the ability of all peoples, of all kinds, to live and work together, in the same world, at peace.”

Until citizens of America, and citizens of

the other nations of the world learn this “science of human relationships” of which President Roosevelt spoke, the atomic bomb will remain a frightful weapon which threatens to destroy all of us.

But there is at least one defense against that bomb. That defense lies in our mastering this science of human relationships all over the world. It is the defense of tolerance and of understanding, of intelligence and thoughtfulness.

When we have learned these things, we shall be able to prove that Hiroshima was not the end of civilization, but the beginning of a new and better world.

That is the task which confronts education. The veterans who attend the colleges and schools of today, and the children of the veterans who will go to school tomorrow, have a right to expect that the training offered to them will fulfill that task. It is not an easy task. It is a most difficult one. It is one which places burdens without precedent, both upon those who teach and upon those who come to be taught. There must be new inspiration, new meaning, new energies. There must be a rebirth of education if this new and urgent task is to be met.

I know that education will meet that challenge. If our civilization is to survive, it must meet it. All of our educational resources must be pledged to that end. The road is hard, but the reward is great.

I am confident that this splendid institution, with its educational system founded upon Christian principles, will play a full and noble part in the great adventure ahead of us. We can and we must make the atomic age an age of peace for the glory of God and the welfare of mankind.

NOTE: The President spoke at 5 p.m. from the terrace of Keating Hall at Fordham University, after receiving an honorary degree of Doctor of Laws.

His opening words "Your Eminences, President Gannon" referred to His Eminence Bernard Cardinal Griffin, Archbishop of Westminster; His Eminence Francis Cardinal Spellman, Archbishop of New

York; and the Reverend Dr. Robert Ignatius Gannon, President of the University.

The address was carried on a nationwide radio broadcast.

113 Citation Accompanying the Medal for Merit Awarded to William D. Pawley. May 13, 1946

CITATION TO ACCOMPANY THE AWARD OF
THE MEDAL FOR MERIT
TO
WILLIAM DOUGLAS PAWLEY

WILLIAM DOUGLAS PAWLEY, for exceptionally meritorious conduct in the performance of outstanding services to the United Nations. Mr. Pawley, with keen foresight, urged the strategic importance of defending the Burma Road as early as 1937. Through his indomitable will and perseverance, such defense was made possible. His initiative provided the means of action in the air which proved an important factor in preserving the Republic of China. Mr. Pawley accepted the responsibility for employment of the American Volunteer Group

(The Flying Tigers), and through his untiring efforts this splendid company of volunteers was assembled and transported to China. When air action proved impossible because of damaged planes, without hesitation he assumed leadership and at great personal risk brought from other fronts the needed materiel. In spite of danger, he joined them in the field, and by procuring necessary supplies and providing maintenance and repairs made possible the heroic resistance which the American Volunteer Group offered in defense of Rangoon. His courage and fighting spirit are in keeping with the finest traditions.

HARRY S. TRUMAN

NOTE: The presentation was made by the President in a ceremony at the White House at 11:45 a.m.

114 The President's Special News Conference on the Coal Strike. May 16, 1946

THE PRESIDENT. I thought I had better read you a statement on the coal situation. It will be mimeographed and handed to you after I read it.

"Mr. Lewis and Mr. O'Neill came in to see me again at 10 o'clock this morning. They told me that after further consultation with their committees last night, they had come to the conclusion that the negotiations in the coal mine dispute had completely broken down, and that further negotiations would be useless. I therefore proposed arbitration. I asked them to consider this

proposal carefully, and report back to me with their decision at 5:30 o'clock this afternoon.

"Some 35 or 40 joint meetings have been held between the operators and the miners, without agreement. The country is in desperate straits as a result of the recent strike of the coal miners. Coal must be gotten out of the ground. The whole life of the Nation has suffered from the coal strike, and will suffer increasingly if there is another stoppage.

"The step I have taken today comes at

the end of a long series of efforts to bring about a settlement. These efforts date back to last March. I was informed at the beginning of the negotiations that both the miners and the operators were confident they could settle their dispute among themselves."

They told me that no less than three different times, and emphasized the fact that they would be able to get together. In fact, they assured me that they didn't think there would be a strike at that time.

[*Continuing reading*]: "From the beginning, however, a Government observer has sat in on the deliberations.

"Since April 1st more than a score of meetings have been held at which Government conciliators presided. All these negotiations have ended in the deadlock reported to me this morning by both parties.

"In the light of this situation, I proposed that the two sides agree to submit their differences to arbitration.

"The basic elements in the plan of arbitration would be as follows:

"1. That the parties agree upon an arbitrator, to hear and pass upon the dispute.

"2. That the miners remain at work during arbitration proceedings.

"Both Mr. Lewis and Mr. O'Neill said they would present the proposal to their respective committees, and come back today, as I requested, at 5:30 this afternoon."

That's all.

Q. Mr. President, do you have any—did they indicate that they would accept it?

THE PRESIDENT. I can't answer for them. They will have to answer at 5:30.

Q. Is it too early, sir, to say what you might do in case they reject it?

THE PRESIDENT. I will take the matter up from there on. I will give them a chance to accept the proposal proposition.

Q. Have you chosen an arbitrator, Mr. President?

THE PRESIDENT. No, no. That is for them to do. If they can't do it, I will propose one. That's all I have.

Reporter: Thank you, Mr. President.

NOTE: President Truman's sixty-fourth news conference was held in his office at the White House at 10:40 a.m. on Thursday, May 16, 1946.

115 Statement by the President Upon Disapproving Bills of the Legislature of Puerto Rico. *May 16, 1946*

I HAVE TODAY withheld my approval of Senate Bill 195 and Senate Bill 196, which were passed by the Legislature of Puerto Rico over the veto of the Governor. Senate Bill 195 provides for a plebiscite on the permanent political status of Puerto Rico. Senate Bill 196 provides for a poll of qualified voters of Puerto Rico for the purpose of recommending one of their citizens for appointment as Governor in the event a vacancy should arise before the permanent political status of the Island is resolved.

I have consistently favored and have rec-

ommended to the Congress that legislation be enacted submitting various alternatives to the people of Puerto Rico with respect to their permanent political status, in order to ascertain through that medium what the people of Puerto Rico themselves most desire for their political future. I have also stated in this connection that in the interest of good faith the Congress should not submit any proposals to the people of Puerto Rico which it is not prepared to enact finally into law. I reiterate my position and hope the Congress will take prompt action.

Approval of Senate Bill 195, however, might erroneously be construed by the people of Puerto Rico as a commitment that the United States would accept any plan that might be selected at the proposed plebiscite, and if the plan thus selected should not be acceptable to the Congress, it could then be argued that the United States was not keep-

ing faith with the expressed will of the people of Puerto Rico. In view of this possibility, and the harmful effect that such a misunderstanding would have on our relations with the people of Puerto Rico, this measure ought not, in my opinion, to be allowed to become law. The same principle is also applicable to Senate Bill 196.

116 Special Message to the Congress Transmitting Reorganization Plan 1 of 1946. May 16, 1946

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 1 of 1946, prepared in accordance with the provisions of the Reorganization Act of 1945.

In my message to the Congress of May 24, 1945, requesting passage of a reorganization act, I stated that an important purpose of the act would be to permit making permanent certain of the reorganization actions taken by Executive order under the authority of Title I of the First War Powers Act, 1941, 55 Stat. 838. The effect of this Reorganization Plan would be, in the main, to continue in force some of the reorganization actions now in effect by virtue of Executive orders. The reorganization actions continued in force by this Plan all constitute improvements in the organization of permanent functions of the Government or functions which may be expected to be active after the expiration of Title I of the First War Powers Act, 1941. Those improvements should, therefore, be made permanent under the procedure established in the Reorganization Act of 1945.

I have found, after investigation, that each reorganization contained in the Plan is necessary to accomplish one or more of the purposes set forth in section 2(a) of the Reorganization Act of 1945. Each Part of the

Reorganization Plan is explained in further detail below.

DEPARTMENT OF STATE

The first Part of the Plan provides for the transfer of certain functions to the Department of State, and imposes certain liquidation duties on that Department.

Office of Inter-American Affairs

Executive Order No. 8840 of July 30, 1941 established the Office of the Coordinator of Inter-American Affairs. Throughout the war period this Office (later redesignated the Office of Inter-American Affairs) played a major role in the development of better relations among the American Republics. In accordance with the general realignment of the functions and organization of wartime agencies in the international field, this Office was abolished and certain remaining functions were transferred to the Secretary of State by Executive Order No. 9610 of April 10, 1946. This Plan confirms this transfer, providing specifically for the direction by the Secretary of State of the activities of certain corporations formerly headed by the Director of the Office of Inter-American Affairs.

The necessity for confirming Executive

Order No. 9610 arises from the fact that certain of the corporations have program commitments, for which funds have been made available, extending into fiscal year 1949. The Reorganization Plan will assure that the activities of the several corporations listed in the Plan will be under the direction of the Secretary and Department of State so long as they are in existence.

United States High Commissioner to the Philippine Islands

Under the terms of the Tydings-McDuffie Act, the Philippine Islands will become independent on July 4, 1946. This event makes necessary a change in the conduct of the political relationships between this Government and that of the Republic of the Philippines.

The Reorganization Plan accordingly abolishes the office of United States High Commissioner to the Philippine Islands (established by Tydings-McDuffie Acts, ch. 11, 47 Stat. 761, and ch. 11, 48 Stat. 456) and provides for the orderly liquidation of its affairs by the Department of State. It is contemplated that after July 4, 1946, the conduct of relations with the Republic of the Philippines will be carried on in the same manner as relations with other countries.

DEPARTMENT OF THE TREASURY

(National Prohibition Act Functions)

The act of May 27, 1930, 46 Stat. 427, imposed upon the Attorney General general duties respecting administration and enforcement of the National Prohibition Act. By Executive Order No. 6639 of March 10, 1934, all of the powers and duties of the Attorney General respecting that Act, except the power and authority to determine and to compromise liability for taxes and penal-

ties, were transferred to the Commissioner of Internal Revenue. The excepted functions, however, were transferred subsequently to the Commissioner of Internal Revenue by Executive Order No. 9302 of February 9, 1943, issued under the authority of Title I of the First War Powers Act, 1941.

Since the functions of determining taxes and penalties under various statutes and of compromise of liability therefor prior to reference to the Attorney General for suit are well-established functions of the Commissioner of Internal Revenue, this minor function under the National Prohibition Act is more appropriately placed in the Bureau of Internal Revenue than in the Department of Justice.

DEPARTMENT OF AGRICULTURE

(Agricultural Research Administration)

By Executive Order No. 9069 of February 23, 1942, six research bureaus, the Office of Experiment Stations, and the Agricultural (formerly Beltsville) Research Center were consolidated into an Agricultural Research Administration to be administered by an officer designated by the Secretary of Agriculture. The constituent bureaus and agencies of the Administration have, in practice, retained their separate identity. This consolidation and certain transfers of functions between the constituent bureaus and agencies have all been recognized and provided for in the subsequent appropriation acts passed by the Congress.

By the Plan, the functions of the eight research bureaus and agencies which are presently consolidated into the Agricultural Research Administration are transferred to the Secretary of Agriculture to be exercised under his direction and control by the Agricultural Research Administration or by such

other officers or agencies of the Department of Agriculture as he may provide.

The benefits which have been derived from centralized review, coordination, and control of research projects and functions by the Agricultural Research Administrator have amply demonstrated the lasting value of this consolidation. By transferring the functions of the constituent bureaus and agencies to the Secretary of Agriculture, it will be possible to continue this consolidation and to make such further adjustments in the organization of agricultural research activities as future conditions may require. This assignment of functions to the Secretary is in accord with the sound and long-established practice of the Congress of vesting substantive functions in the Secretary of Agriculture rather than in subordinate officers or agencies of the Department.

OFFICE OF WAR MOBILIZATION AND
RECONVERSION

(Contract Settlement Functions)

The Office of Contract Settlement was established by the Contract Settlement Act of 1944. By the War Mobilization and Reconversion Act of 1944, the Office of Contract Settlement was placed within the Office of War Mobilization and Reconversion and the Director of the latter Office was given general supervision over its activities.

The Reorganization Plan transfers all of the functions of the Director of Contract Settlement and all other functions of the Office of Contract Settlement under the Contract Settlement Act of 1944 to the Director of War Mobilization and Reconversion and to the Office of War Mobilization and Reconversion. The Plan further abolishes the office of Director of Contract Settlement and the Office of Contract Settlement. The ef-

fect of this proposal will be to eliminate entirely one agency, whose mission has been substantially accomplished, without appreciably increasing the burden of the Director of War Mobilization and Reconversion.

The functions of the Office of Contract Settlement are, in general, to (1) establish and supervise uniform and fair contract settlement policies and procedures for the Army, the Navy, and other contracting agencies, and (2) establish and operate an Appeal Board to hear and determine appeals by war contractors relating to contract termination matters. Major policies and procedures have been established by the issuance of twenty regulations of general application. No new regulations have been issued during the last eight months and none are contemplated. The Appeal Board will of necessity continue in operation for some time; but it exercises its authority separately and autonomously, and it can therefore function as well under the Office of War Mobilization and Reconversion as under the Office of Contract Settlement.

As of March 31, 1946, about 24,000 war contracts were still unsettled, involving claims filed and expected to be filed of approximately \$2.7 billions. The settlement of these cases, however, is an operating function which rests with the contracting agencies. Moreover, at the current rate of settlements this represents a backlog of only four or five months' work by such agencies. Policies and procedures for settlements have been sufficiently tested to make it unlikely that new problems of substance will arise in connection with these remaining settlements which will require any action by the Office of Contract Settlement. In the event that any should arise, however, the Director of War Mobilization and Reconversion will be in a position to deal with them.

NATIONAL HOUSING AGENCY

The Plan consolidates permanently in one National Housing Agency under the direction of a National Housing Administrator the main activities of the Government relating to housing.

I do not need to stress again at this time the urgent necessity of taking all possible measures to alleviate the present critical housing shortage. The job of providing adequate housing for our returning veterans will tax to the utmost the resourcefulness and vigor of all parts of the Government that are concerned in any way with housing. And in the months and years ahead, the goal of a decent home for every American will demand the fullest use of all of the Government's resources in the housing field.

If the Government is to mobilize to fullest effectiveness its resources for dealing with the housing emergency, an indispensable step—and one which we cannot afford further to delay—is the establishment of a housing agency on a permanent basis. The fact that we have had a unified housing agency, even though temporary, has enabled us to move more efficiently toward a solution of postwar problems, in cooperation with private enterprise and local communities, than would have been possible without unification of the Government's housing activities. But the present National Housing Agency has been handicapped in its operations by its lack of a permanent status. Having been created during the war emergency, it is not infrequently looked upon as an organization which, now that peace has come, may be abolished in the relatively near future. This has made for uncertainties which have inevitably placed the National Housing Agency at a disadvantage. In order that it may proceed on its program with the fullest confidence that it has a position equivalent to

that of any other permanent Government agency, its organization should be confirmed at the earliest possible date.

I fully recognize that S. 1592, the Wagner-Ellender-Taft Bill, approved by the Senate on April 12 of this year, provides for the permanent organization of the housing activities of the Government along the lines set forth in this Plan. However, since the House must act before S. 1592 can become law, and because of the heavy legislative schedule now facing the House, it is difficult to foretell when such action can be expected. On the other hand, action by the President, taken under the authority of the Reorganization Act, assures decision on the matter in 60 days. Moreover, the fact that S. 1592 is pending in the Congress does not relieve the President of his responsibilities under the Reorganization Act, passed by the same Congress. On the contrary, the action already taken by the Senate constitutes in effect an expression of approval of the objectives of the Plan and therefore strengthens my confidence in the wisdom of the step I am taking.

It also seems desirable to confirm under this Reorganization Plan as many as possible of the organization changes that were affected under the First War Powers Act, 1941, and that it seems desirable to make permanent. Otherwise, confusion might arise, since specific Congressional action on these subjects at a definite date cannot be accurately forecast.

Moreover, I place great weight upon the long Congressional investigations which preceded the adoption of S. 1592 by the Senate. After comprehensive studies, hearings, and inquiries beginning in the middle of 1944, the Subcommittee on Housing and Urban Redevelopment of the Special Committee on Postwar Economic Policy and Planning of the Senate issued a unanimous report on

August 1, 1945. Founded upon this report, S. 1592 was introduced, and after two months of comprehensive hearings was reported favorably to the Senate. It was then approved by the Senate without substantial opposition. The pioneer work done by the sponsors of the Wagner-Ellender-Taft Bill, and also by other members of the Senate Committee on Banking and Currency, the Senate Committee on Education and Labor, and the Subcommittee on Housing and Urban Redevelopment, plus approval by the Senate, has been highly constructive and has helped importantly to point the way for this Plan.

Since S. 1592 continues many substantial programs which are essential for the success of the veterans' emergency housing program, as well as for accomplishing the long-time objective of a decent home for every family, I feel bound to stress that the treatment by this Plan of the organizational features of that measure does not diminish the necessity for passing those parts of the bill not covered by the Plan. The organizational features are for the purpose of making the National Housing Agency as efficient and effective an organization as possible; but without the other provisions of S. 1592 this agency, regardless of how efficient and effective it may be, will not be able to meet the requirements of the present housing emergency. While it is not customary to advocate legislation in a message of this character, I do so in this instance to make it clear that those provisions of the pending legislation not incorporated in substance in this Plan are made no less necessary as a result of submission of this Plan.

Wartime experience has fully demonstrated the necessity for unifying the Government's housing functions. When the defense housing program began in 1940, housing functions were scattered among a

number of different agencies. In February 1942, the President consolidated these dispersed housing functions into a single National Housing Agency—an action which met with almost universal approval. While this agency was created under the First War Powers Act, 1941, and was therefore necessarily temporary in character, it brought together not only special war housing activities but also the main permanent housing organizations of the Government.

That the housing consolidation of 1942 served a useful and necessary purpose is uncontested. Without such a consolidation we could not have coped effectively with the difficult and often extraordinary wartime housing problems. It was demonstrated time and again that one housing agency could operate more efficiently and economically than many. In actual program execution there have been enormous savings of material, manpower, and money—savings to localities as well as the Federal Government—that resulted from unity and could not have been achieved with disunity. The lessons of the war must not be ignored in dealing with the very much different but no less difficult peacetime problems of housing.

The Plan provides that the functions consolidated in the National Housing Agency are to be administered under a National Housing Administrator to be appointed by the President, by and with the advice and consent of the Senate. The National Housing Administrator is authorized to appoint a Deputy Housing Administrator who shall be in the classified service.

The Plan establishes three constituent units corresponding to those now existing in the National Housing Agency, to be known as the Federal Housing Administration, the Federal Public Housing Authority, and the Federal Home Loan Bank Admin-

istration. Each unit will be under a Commissioner to be appointed by the President, by and with the advice and consent of the Senate. The functions grouped under each new constituent unit parallel the functions of the predecessor unit in the existing National Housing Agency.

Dissolution of the United States Housing Corporation (existing pursuant to the acts of May 16, 1918, 40 Stat. 550, ch. 74, as amended, and June 4, 1918, 40 Stat. 595), is directed by the provisions of the Plan, and the Federal Home Loan Bank Commissioner is required to wind up the affairs of the Corporation. The office of Federal Housing Administrator, the Federal Home Loan Bank Board and the offices of the members thereof, the Board of Trustees of the Federal Savings and Loan Insurance Corporation and the offices of the members thereof, the Board of Directors of the Home Owners' Loan Corporation and the offices of the members thereof, and the office of Administrator of the United States Housing Authority are also abolished by this Plan.

The reorganization of housing functions will, of course, in no wise impair any outstanding obligations or contracts made in connection with any of such functions, nor the pledge of the faith of the United States to the payment of the principal of and interest on debentures now or hereafter issued under the National Housing Act, as amended, nor any annual contributions now or hereafter contracted for pursuant to the United States Housing Act of 1937, as amended, nor any of the insurance funds created under the said National Housing Act, as amended.

I have found and declare that by reason of the reorganizations made by the Plan the responsibilities and duties of the National Housing Administrator, the Deputy National Housing Administrator, the Federal

Housing Commissioner, the Federal Home Loan Bank Commissioner, and the Federal Public Housing Commissioner are of such nature as to require the inclusion in the Plan of provisions for their appointment and compensation.

Under the limitations contained in section 4(2) of the Reorganization Act of 1945, the compensation of the National Housing Administrator cannot be set in the Plan at a rate of more than \$10,000 a year. The National Housing Administrator now receives a salary of \$12,000 a year. I do not consider the \$10,000 provided in the Plan as adequate compensation, and recommend that the Congress act to increase it, if possible not later than the end of the 60-day period during which the Congress has this Plan under consideration. This might well be done in the Appropriation Bill for the National Housing Agency for the coming fiscal year.

Achievement of the objectives we are seeking—homes immediately for our veterans and a suitable dwelling ultimately for every American family—will require, as I have noted, additional legislation by the Congress. But a sound and stable housing organization, as provided for in this Plan, is imperative for present operations as well as for the efficient execution of new policies and programs laid down by the Congress. I have said before that the people of the United States can be the best housed people in the world. I repeat that assertion, and I welcome the cooperation of the Congress in attaining that goal.

FEDERAL DEPOSIT INSURANCE CORPORATION (Credit Union Functions)

The Plan makes permanent the transfer of the administration of Federal functions with respect to credit unions to the Federal

Deposit Insurance Corporation. These functions, originally placed in the Farm Credit Administration, were transferred to the Federal Deposit Insurance Corporation by Executive Order No. 9148 of April 27, 1942. Most credit unions are established in urban areas, and consequently are not related to agricultural activities. The supervision of credit unions fits in more logically with the general bank supervisory functions of the

Federal Deposit Insurance Corporation. The Federal Deposit Insurance Corporation has performed this function successfully since 1942, and the benefits of its experience may be realized by effecting a permanent transfer.

HARRY S. TRUMAN

NOTE: Reorganization Plan 1 of 1946 is published in the Congressional Record (vol. 92, p. 5148).

117 Special Message to the Congress Transmitting Reorganization Plan 2 of 1946. May 16, 1946

To the Congress of the United States:

The fundamental strength of a nation lies within its people. Military and industrial power are evidences, not the real source of strength. Over the years the prosperity of America and its place in the world will depend on the health, the education, the ingenuity, and the integrity of its people and on their ability to work together and with other nations.

The most basic and at the same time the most difficult task of any country is the conservation and development of its human resources. Under our system of government this is a joint responsibility of the Federal, State, and local governments, but in it the Federal Government has a large and vital role to play. Through its research, advice, stimulation, and financial aid, it contributes greatly to progress and to the equalization of standards in the fields of education, health, and welfare; and in the field of social insurance it also directly administers a major segment of the program.

To meet its full responsibilities in those fields, the Federal Government requires efficient machinery for the administration of its social programs. Until 1939, the agen-

cies in charge of those activities were scattered in many parts of the Government. In that year President Roosevelt took the first great step toward effective organization in this area when he submitted Reorganization Plan I establishing the Federal Security Agency "to promote social and economic security, educational opportunity, and the health of the citizens of the nation."

The time has now come for further steps to strengthen the machinery of the Federal Government for leadership and service in dealing with the social problems of the country. Several programs closely bound up with the objectives of the Federal Security Agency are still scattered in other parts of the Government. As the next step, I consider it essential to transfer these programs to the Federal Security Agency and to strengthen its internal organization and management.

Broadly stated, the basic purpose of the Federal Security Agency is the conservation and development of the human resources of the nation. Within that broad objective come the following principal functions: child care and development, education, health, social insurance, welfare (in the sense of

care of the needy and the defective), and recreation (apart from the operation of parks in the public domain).

These functions constitute a natural family of closely-related services, interwoven at many points and in many ways. For example, the development of day-care centers for children has involved joint planning and service by specialists of the Children's Bureau, the Office of Education, the Public Health Service, and several other agencies. The schools are both a major consumer of public health services and a leading vehicle for health education and for disseminating the results of research carried on by the Public Health Service. The promotion of social security involves a whole battery of activities, especially social insurance, public assistance, health and child welfare.

In order to proceed as promptly as possible with the development of the Federal Security Agency to meet the post-war responsibilities of the Government within its field of activity, I am transmitting herewith Reorganization Plan No. 2, which I have prepared in accordance with the provisions of section 3 of the Reorganization Act of 1945 (Public No. 263, 79th Congress, 1st Session), approved December 20, 1945; and I declare that, with respect to each reorganization made in this Plan, I have found that such reorganization is necessary to accomplish one or more of the purposes of section 2(a) of the Act:

(1) to facilitate orderly transition from war to peace;

(2) to reduce expenditures and promote economy;

(3) to increase efficiency;

(4) to group, coordinate, and consolidate agencies and functions according to major purposes;

(5) to reduce the number of agencies by consolidating those having similar functions,

and to abolish such agencies or functions thereof as may not be necessary for the efficient conduct of the Government; and

(6) to eliminate overlapping and duplication of effort.

The Plan includes certain interagency transfers and several abolitions and changes in the internal organization of the Federal Security Agency.

The Plan transfers to the Federal Security Administrator the functions of the Children's Bureau, except those relating to child labor under the Fair Labor Standards Act. These child labor functions are transferred to the Secretary of Labor in order that they may be performed by, or in close relationship with, the Wage and Hour Division which administers the rest of the Act. The Plan continues the Children's Bureau within the Federal Security Agency to deal with problems of child life, but is flexible enough to enable the Administrator to gear in the Bureau's programs effectively with other activities of the Agency.

The child labor program is the only permanent program of the Children's Bureau that is properly a labor function. The other four—child welfare, crippled children, child and maternal health, and research in problems of child life—all fall within the scope of the Federal Security Agency. The transfer of the Children's Bureau will not only close a serious gap in the work of the Agency, but it will strengthen the child-care programs by bringing them into closer association with the health, welfare, and educational activities with which they are inextricably bound up.

The promotion of the education, health, welfare, and social security of the nation is a vast cooperative undertaking of the Federal, State, and local governments. It involves numerous grant-in-aid programs and complex inter-governmental relations. The

transfer of the Children's Bureau will simplify these relations and make for better cooperation.

To illustrate, State welfare departments now depend on both the Bureau of Public Assistance in the Federal Security Agency and the Children's Bureau in the Labor Department for funds for child-care activities. Similarly, State health departments obtain grants from the Public Health Service for general public health work and from the Children's Bureau for child and maternal health activities. All of these grants involve the establishment of minimum standards and a measure of Federal supervision. The transfer of the Children's Bureau programs will make it possible to develop more consistent policies and procedures and to simplify dealings with the States. This will eliminate needless inconvenience for both parties and enable the State and Federal Governments to join more efficiently in their common objective of furthering the health and welfare of the American child.

Next, the Plan transfers the vital statistics functions of the Census Bureau to the Federal Security Administrator, to be performed through the Public Health Service or other facilities of the Federal Security Agency. In every State but one the State health department is in charge of vital statistics. The work in the States is partially financed from public health grants administered by the Public Health Service. This transfer will make the agency providing the grants also responsible for carrying on the Federal part of the vital statistics program. Furthermore, it will make for a better correlation of vital statistics with morbidity statistics, which are closely connected in nature and are already handled by the Public Health Service. In addition, the Federal Security Agency, more than any other Federal agency in peacetime, depends on vital statistics and vital records

in the operation of its programs.

The Plan transfers the functions of the United States Employees Compensation Commission to the Federal Security Administrator, and provides for a three-member board of appeals to hear and finally decide appeals on claims of Government employees. By abolishing the Commission, the Plan eliminates a small agency and lightens the burden on the President. The Federal Security Administrator, as the head of the Federal agency with the greatest experience in insurance administration, is in the best position to guide and further the program of the Commission.

The abolition of the Commission as an administrative body and the creation of an appeals board will provide the advantages of a single official in charge of operations while affording claimants the protection of a three-member board for the final decision of appeals on claims. This arrangement has proved both administratively efficient and satisfactory to claimants in many similar programs. It is essentially the plan used in the administration of veterans' pensions and old-age and survivors insurance and employed by many States in their workmen's compensation programs. The board of appeals created by this Plan will deal only with claims of Government employees since appeals on other types of claims under the jurisdiction of the Commission—(a) long-shoremen and harbor workers, and (b) private employees in the District of Columbia—are heard by the Federal District Courts rather than the Commission.

The Reorganization Plan which created the Federal Security Agency in 1939 provided that the Federal Security Administrator should direct and supervise the Social Security Board, and that he might assign administrative duties to the Chairman of the Board, rather than to the Board as a

whole. Thus, it took the first step toward establishing a definite line of responsibility for the administration of social security functions in the Agency. The Plan I am now submitting further clarifies these lines of responsibility by providing for the normal type of internal organization used in Federal departments and agencies.

A full-time board in charge of a group of bureaus within an agency is at best an anomaly. The Social Security Board rendered an outstanding service in launching the social security program, and its members deserve the thanks of the nation for this achievement. That program, however, is now firmly established and its administration needs to be tied in more fully with other programs of the Federal Security Agency. The existence of a department within a department is a serious barrier to effective integration.

In order to obtain more expeditious and effective direction for the social security program and to further the development of the Federal Security Agency, this Plan transfers the functions of the Social Security Board to the Federal Security Administrator and provides for not more than two new assistant heads of the Agency for the administration of the program. Because of the additional functions transferred to the Administrator by this Plan, I have found that these officers will be needed to assist him in the general management of the Agency and to head the constituent unit or units which the Administrator will have to establish for the conduct of social security activities.

To permit a consolidation of work for the blind, the functions of the Office of Education as to the vending stand program for the blind are transferred to the Federal Security Administrator, in whom are vested other vocational rehabilitation functions.

This transfer will permit the program to be assigned to the Office of Vocational Rehabilitation, where other vocational rehabilitation activities for the blind are now concentrated.

The Office of Assistant Commissioner of Education, established by the Act of May 26, 1930, is abolished. A basic reorganization of the Office of Education within the past year has made this officer the head of one of the divisions of the Office. It is, therefore, administratively desirable to abolish the post of Assistant Commissioner in conformity with the present organization of the Office.

The Plan also abolishes the Federal Board of Vocational Education and its functions. The Board, established by the Act of February 23, 1917, as amended, formerly had charge of the administration of the vocational education program. Section 15 of Executive Order 6166, of June 10, 1933, issued under authority of the Act of June 30, 1932 (47 Stat. 413, ch. 314), as amended, transferred the administration of the program to the Office of Education and limited the Board to acting in an advisory capacity. The Advisory Committee on Education, on the basis of its study of the vocational education system, found that the Board was no longer needed and recommended its abolition.

To avoid possible confusion and conflict of authority, the Board of Visitors of Saint Elizabeths Hospital and its functions are abolished. The functions of the Board, as provided by section 4842 of the Revised Statutes, include supervision of the institution and the adoption of its by-laws, in addition to visiting the institution and advising the Superintendent. These functions overlap the responsibilities of the Federal Security Administrator for the general supervision and direction of the Hospital.

In order to enable the Administrator more adequately to coordinate the administration of the grant-in-aid programs vested by statute in the constituent units of the Federal Security Agency, the Plan provides that, insofar as practicable and consistent with the applicable legislation, he shall establish uniform standards and procedures for these programs and permit States to submit a single plan of operation for related grant-in-aid programs. Most of these programs involve the establishment of certain minimum standards on fiscal, personnel, and other aspects of administration in the States. In many cases, the same State Agency is operating under two or more grant-in-aid programs. Much needless inconvenience and confusion can be avoided for all concerned by unifying Federal standards and combining State plans for the operation of the programs in such cases.

After careful consideration of a number of other agencies and functions I have refrained from proposing in this Plan their transfer to the Federal Security Agency. Most of these involve activities which, though related to the functions of the Federal Security Agency, are incidental to the purpose of other agencies or are connected so closely with such agencies as to make transfer undesirable. A few are activities which should probably be shifted in whole or in part to the Federal Security Agency, but I believe such shifts can best be accomplished by inter-agency agreement or action in connection with appropriations.

The Reorganization Plan here presented is a second important step in building a central agency for the administration of Federal activities primarily relating to the conservation and development of human re-

sources. But, while this step is important in itself, I believe that a third step should soon be taken. The time is at hand when that agency should be converted into an Executive department.

The size and scope of the Federal Security Agency and the importance of its functions clearly call for departmental status and a permanent place in the President's Cabinet. In number of personnel and volume of expenditures the Agency exceeds several of the existing departments. Much more important, the fundamental character of its functions—education, health, welfare, social insurance—and their significance for the future of the country demand for it the highest level of administrative leadership and a voice in the central councils of the Executive Branch.

Accordingly, I shall soon recommend to the Congress that legislation be promptly enacted making the Federal Security Agency an Executive department, defining its basic purpose, and authorizing the President to transfer to it such units and activities as come within that definition.

The people expect the Federal Government to meet its full responsibilities for the conservation and development of the human resources of the nation in the years that lie ahead. This Reorganization Plan and the legislation that I shall propose will provide the broad and firm foundation required for the accomplishment of that objective.

HARRY S. TRUMAN

NOTE: Reorganization Plan 2 of 1946 is published in the U.S. Statutes at Large (60 Stat. 1095) and in the 1943-1948 Compilation of title 3 of the Code of Federal Regulations (p. 1064). It became effective July 16, 1946.

118 Special Message to the Congress Transmitting Reorganization Plan 3 of 1946. May 16, 1946

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 3 of 1946, prepared in accordance with the provisions of the Reorganization Act of 1945.

The Plan contains reorganizations affecting a number of departments and establishments. Some continue on a permanent basis changes made by Executive order under authority of the First War Powers Act. A few make adjustments in the distribution of functions among agencies. The remainder deal with problems of organization within individual agencies. All are concerned with improving and simplifying particular phases of Government administration.

Each proposal is explained in more detail under the appropriate heading below.

I have found, after investigation, that each reorganization contained in the Plan is necessary to accomplish one or more of the purposes set forth in section 2(a) of the Reorganization Act of 1945.

DEPARTMENT OF THE TREASURY

The functions of the Bureau of Marine Inspection and Navigation were transferred from the Department of Commerce to the Coast Guard and the Bureau of Customs in 1942 by Executive order under the First War Powers Act. This arrangement has been proved successful by the experience of the past four years. Part I of the Reorganization Plan continues the arrangement on a permanent basis.

United States Coast Guard

The principal functions of the Bureau of Marine Inspection and Navigation were those of the inspection of vessels and their

equipment, the licensing and certifying of officers and seamen, and related functions designed to safeguard the safety of life and property at sea. Thus these functions are related to the regular activities and general purposes of the Coast Guard. The Coast Guard administered them successfully during the tremendous expansion of wartime shipping, by virtue of improvements in organization and program, many of which ought to be continued.

The Plan also transfers to the Coast Guard the functions of the Collectors of Customs relating to the award of numbers to undocumented vessels. These functions, too, were temporarily transferred to the Coast Guard in 1942.

Bureau of Customs

The Plan transfers to the Commissioner of Customs the functions of the Bureau of Marine Inspection and Navigation and the Secretary of Commerce relating to the documentation of vessels, measurement of vessels, administration of tonnage tax and tolls, entry and clearance of vessels and aircraft, regulation of coastwise trade and fisheries, recording of conveyances and mortgages of vessels, and protection of steerage passengers. These functions have always been performed at the ports by the Customs Service, although legal responsibility for their supervision was vested in the Bureau of Marine Inspection and Navigation and the Secretary of Commerce until transferred temporarily to the Commissioner of Customs under the wartime reorganization power.

The proposed transfer will permit more efficient administration by ending divided responsibility.

DEPARTMENT OF WAR AND DEPARTMENT OF
THE NAVY*Functions with Respect to Certain Insane
Persons*

Prior to World War I practically all mental patients for whom the Federal Government was legally obligated to provide hospital care and treatment, including personnel of the armed forces, were hospitalized in St. Elizabeths Hospital, Washington, D.C. In addition, this hospital served as the mental hospital for the District of Columbia Government. Following World War I, the responsibility for hospital care of mentally ill war veterans was assigned to the Veterans Administration. Somewhat later, specialized hospital facilities were provided by the Bureau of Prisons of the Department of Justice to enable that agency to care for prisoners suffering from mental disorders.

With the growth in the population of the District of Columbia and the wartime expansion of the armed forces, the facilities of St. Elizabeths Hospital became inadequate. The War Department therefore established its own mental hospitals at the outset of World War II. Furthermore it became necessary a year ago for the Navy Department to discontinue the use of St. Elizabeths and to assume the responsibility for the care of its mental patients.

Since the return of the Coast Guard to the Treasury Department, the Public Health Service now provides care in its mental hospitals for personnel of the Coast Guard in accordance with the basic responsibility delegated to it in the Public Health Service Code enacted in 1944. The Plan abolishes the functions of St. Elizabeths Hospital with respect to insane persons belonging to the Coast Guard which are provided for by Sec. 4843 of the Revised Statutes (24 U.S.C. 191).

Responsibility for the care of mental patients has been allocated on the basis of the four broad categories of beneficiaries, namely, (1) veterans, to be cared for by the Veterans Administration; (2) military and naval personnel, to be cared for by the War and Navy Departments; (3) prisoners, for whom the Department of Justice will be responsible; and (4) other civilians, to be cared for by the Federal Security Agency. The Reorganization Plan, in order to carry out this policy, provides for the transfer or abolition of certain functions and legal responsibilities now resting with the Federal Security Administrator and Superintendent of St. Elizabeths Hospital.

NAVY DEPARTMENT

Hydrographic Office and Naval Observatory

The Plan transfers the Hydrographic Office and the Naval Observatory from the Bureau of Naval Personnel to the Office of the Chief of Naval Operations. The Plan would confirm and make permanent the action taken in 1942 by Executive Order No. 9126 under the First War Powers Act.

The functions performed by both the Hydrographic Office and the Naval Observatory relate primarily to operational matters and thus are more appropriately placed in the Office of the Chief of Naval Operations than in the Bureau of Naval Personnel. This fact was recognized in the realignment of naval functions at the outbreak of the war. The Plan merely confirms an organizational relationship which has existed successfully for the past four years.

*Supply Department of the United States
Marine Corps*

The Plan consolidates the Paymaster's Department and the Quartermaster's Department of the United States Marine Corps into

a single Supply Department. This consolidation will establish in the Marine Corps an integrated supply organization which parallels that of the Navy Department's Bureau of Supplies and Accounts.

The consolidation will make possible a more efficient and more economical organization of the companion functions of supply and disbursement, eliminating the present handling of related items by two separate departments of the Corps.

DEPARTMENT OF THE INTERIOR

The Franklin D. Roosevelt Library at Hyde Park

At the present time, the National Park Service, the Public Buildings Administration, and the Archivist of the United States all perform "housekeeping" functions at the Franklin D. Roosevelt Library and home at Hyde Park. The Plan unifies in the National Park Service responsibility for activities of this character at Hyde Park—that is, the maintenance and protection of buildings and grounds, the collection of fees, and the handling of traffic and visitors. Because of its wide experience in the administration of historic sites, the National Park Service is the logical agency to assume the combined functions.

Transfer of these functions does not affect the responsibility of the Archivist for the contents and professional services of the Library proper. It also does not affect the present disposition of the receipts, which is provided by law.

Functions Relating to Mineral Deposits in Certain Lands

The Plan transfers to the Department of the Interior jurisdiction over mineral deposits on lands held by the Department of Agriculture.

The Department of the Interior now administers the mining and mineral leasing laws on various areas of the public lands, including those national forests established on parts of the original public domain. The Department of Agriculture, on the other hand, has jurisdiction with respect to mineral deposits on (1) forest lands acquired under the Weeks Act, (2) lands acquired in connection with the rural rehabilitation program, and (3) lands acquired by the Department as a part of the Government's effort to retire submarginal lands.

Accordingly this Reorganization Plan provides that these mineral deposits on lands of the Department of Agriculture will be administered by the Department of the Interior, which already has the bulk of the Federal Government's mineral leasing program.

The Plan further provides that the administration of mineral leasing on these lands under the jurisdiction of the Department of Agriculture will be carried on subject to limitations necessary to protect the surface uses for which these lands were primarily acquired.

Bureau of Land Management

The Plan consolidates the General Land Office and the Grazing Service of the Department of the Interior into a Bureau of Land Management.

The General Land Office and the Grazing Service now divide responsibility for the major portion of the multiple-use Federally-owned lands now held by the Department of the Interior. The lands under jurisdiction of the two agencies are comparable in character and in use. In some functions, the two agencies employ the same type of personnel and use the same techniques. Other functions are divided between the agencies so that both are engaged in management of

various aspects of the same land. Consolidating these two agencies will permit the development of uniform policies and the integration of two organizations whose responsibilities now overlap.

Integration of the activities of the two agencies will make possible greater utilization and thus more economic use of expert skills. The same practical experience embraced in range administration on public lands in grazing districts will be available for public lands outside the districts.

Utilization of lands within grazing districts for non-grazing purposes will be subject to only one classification examination, rather than dual examination as is now necessary. Economy will be possible in the construction of range improvements, wherever feasible, to serve lands both in and out of districts. Legal procedures such as adjudication of issues relating to licenses and leases, hearings on appeal from administrative decisions, and the processing of trespass cases will benefit from unified administration and handling.

In such activities as fire protection, soil and moisture conservation, management of public lands under agreement with other agencies (e.g., Bureau of Reclamation), range surveys, maintenance and improvement of stock driveways, and stabilization of range use on all public domain, the benefits of consolidation will become increasingly apparent. Further, records relating to grazing lands can be concentrated in fewer field offices and hence administered more effectively.

While the establishment of a new Bureau of Land Management under a Director involves the abolition of the Commissioner and Assistant Commissioners of the General Land Office, the Director and Assistant Directors of Grazing, the Registers of District Land Offices, and the United States

Supervisor of Surveys, the statutory functions now discharged by these officers are in no way modified. This plan will place final responsibility for these functions in the Secretary of the Interior and make him responsible for their performance in coordination with the other land activities of his Department. Officers whose offices are specifically abolished, but whose experience will make them valuable to the Department, should be available for appointment in the new Bureau.

I have found and declare that by reason of the reorganization made by the Plan the responsibilities and duties of the Bureau of Land Management are of such nature as to require the inclusion in the Plan of provisions for the appointment and compensation of a Director, an Associate Director, and Assistant Directors.

DEPARTMENT OF AGRICULTURE

Functions of Certain Agencies of the Department of Agriculture

To enable the Department of Agriculture to meet its responsibilities for food production and distribution during the war, there was early and continuing coordination of its programs directly concerned with these phases of the food problem. Beginning with Executive Order No. 9069 of February 23, 1942, those programs and agencies dealing with food production and distribution were gradually consolidated by a series of Executive orders issued under the authority of the First War Powers Act. By Executive Order No. 9934 of April 19, 1943, they were all grouped into a War Food Administration, under a War Food Administrator.

When the fighting was drawing to a close and the emergency purposes of the War Food Administration had been largely accomplished, this Administration was ter-

minated by Executive Order No. 9577 of June 29, 1945; and its functions and agencies were transferred back to the jurisdiction of the Secretary of Agriculture. Executive Order No. 9577 also authorized the Secretary of Agriculture to organize and administer the transferred functions and agencies in the manner which he deemed best.

Under this authority, the Secretary established the Production and Marketing Administration in August 1945. Into this Administration, he consolidated the functions of many of the production and marketing agencies which were transferred back from the War Food Administration. Included were the functions of the Agricultural Adjustment Administration and the Surplus Marketing Administration and the administration of the programs of the Federal Crop Insurance Corporation and the Commodity Credit Corporation.

The Plan transfers these functions to the Secretary of Agriculture in order to permit him to continue the consolidation already effected in the Production and Marketing Administration. This provision makes it possible to maintain the close coordination and integration of food production and distribution programs, with the resulting benefits that were achieved during the war. It also provides the Secretary with the necessary flexibility to make adjustments in the coordination and administration of these programs to meet changing conditions and new problems, a flexibility which he particularly needs at this period of acute food shortages throughout the world.

DEPARTMENT OF COMMERCE

Certain Functions of National Bureau of Standards

The Plan transfers the functions of two divisions of the National Bureau of Stand-

ards in the Department of Commerce, namely, the Division of Simplified Trade Practices and the Division of Commercial Standards, to the Secretary of Commerce. The transfer will permit the Secretary to reassign these functions to the Office of Domestic Commerce, which is the focal point of the Department's general service functions for American business.

These two divisions were established as a result of the standardization work initiated in World War I. Both divisions have followed the same basic procedure of assisting the producers and the consumers of particular products to agree among themselves on certain standards or on a certain limited number of varieties. Each such voluntary agreement is then published by the National Bureau of Standards and, although not compulsory, has tended to become the generally accepted practice in the trade.

Standardization again proved to be an important device for accelerating production in World War II; and industry has shown renewed interest in continuing these wartime conservation and rationalization programs on a voluntary basis in the production of peacetime products.

The desirability of the proposed transfer was emphasized only a few months ago by the report of a committee of prominent businessmen appointed by the Secretary of Commerce to review the entire question of the Government's activities in this field. These studies indicate that two major benefits will result from the transfer.

First, the association of the two divisions with the National Bureau of Standards has perhaps tended to give the impression in some quarters that voluntary standards and trade practices worked out by industry with the help of these two divisions are in some sense Government standards which are enforced on the basis of scientific and objective

tests. The transfer of these two divisions to the Department proper would reduce any such misconceptions, and make it clear that these standards and simplified practices are voluntary industry agreements in the making of which the Government acts merely in an advisory capacity.

Second, the other general services of the Department to American business, such as marketing, management, and economic and statistical services, are now concentrated in the Office of Domestic Commerce. The association of these two divisions with these other services to business will facilitate their work and enable them to make use of the wide industrial and business contacts of the Office of Domestic Commerce.

NATIONAL LABOR RELATIONS BOARD

Strike Ballots Under the War Labor Disputes Act

The Plan abolishes the function of conducting strike ballots which was vested in the National Labor Relations Board by Section 8 of the War Labor Disputes Act (57 Stat. 167, ch. 144). Experience indicates that such elections under the act do not serve to reduce the number of strikes and may even aggravate labor difficulties. The Congress has already forbidden the Board to expend any of its appropriations for the current fiscal year for this activity (First Deficiency Appropriation Act of 1946). I believe that the function should now be permanently abolished.

SMITHSONIAN INSTITUTION

Canal Zone Biological Area

The Plan transfers responsibility for the Canal Zone Biological Area to the Smithsonian Institution. At present, the Canal Zone Biological Area is an independent

agency of the Government, having as its function the administration of Barro Colorado Island in Gatun Lake as a tropical wildlife preserve and research laboratory. The Board of Directors of this agency consists of the President of the National Academy of Sciences as Chairman, the Secretary of the Smithsonian Institution, three members of the Cabinet—the Secretaries of War, Interior, and Agriculture—and three biologists.

The transfer will locate this function with comparable and related functions already assigned to the Smithsonian Institution whose staff members have participated since the beginning in developing the island as a research center. It will reduce by one the number of Government agencies. It will relieve three Cabinet members of routine duties not important enough to warrant their personal attention.

Under its existing authority the Smithsonian Institution may constitute an advisory board of biologists and departmental representatives if it finds such action necessary.

UNITED STATES EMPLOYMENT SERVICE

Placement Functions Under Selective Training and Service Act of 1940

The Plan transfers to the United States Employment Service the functions of the Selective Service System and its Director with respect to assisting ex-servicemen in obtaining new positions. These functions directly overlap the regular placement activities of the United States Employment Service, which is required to provide a special placement service for veterans both by its basic act and by the Servicemen's Readjustment Act of 1944. The transfer is in line with the policy of the Congress on the placement of veterans as most recently expressed in the 1944 Act. The shift will prevent

needless duplication of personnel and facilities and will assure the best service to veterans.

HARRY S. TRUMAN

NOTE: Reorganization Plan 3 of 1946 is published in the U.S. Statutes at Large (60 Stat. 1097) and in the 1943-1948 Compilation of title 3 of the Code of Federal Regulations (p. 1065). It became effective July 16, 1946.

119 The President's Regular News Conference of May 16, 1946

THE PRESIDENT. [1.] The members of the Philippine War Damage Commission are: Frank A. Waring of California, John S. Young of New York, and Francisco A. Delgado [Delgado] of the Philippine Islands.

[2.] And I think I had better read you a statement on the draft bill, copies of which will be available for you when you go out.

"As I have already said, the Draft Extension Act is bad legislation. I signed it reluctantly,¹ and only because of my conviction that conditions would be worse without it. The act at least has the merit of keeping intact the draft machinery and of preserving for the time being the reemployment rights of veterans.

"It is to be hoped that before July 1st, when the present extension expires, the Congress will extend Selective Service for a year in a form that will meet the Nation's requirements.

"General Hershey informs me that the exemption of 18- and 19-year-old registrants will reduce the number of men who can be inducted into the Armed Forces each month, in the age group under 26, from approximately 35,000 to approximately 5,000.

Eighty thousand physically and mentally acceptable 18- and 19-year-old high school students whose inductions had been postponed are now lost to the Armed Forces.

"It will be noted that Congress has restricted inductions, except of volunteers, to the age group who become 20 or who were between 20 and 30 at the time fixed for their registration. Seemingly, it was the intent of Congress to include only those who are now under 30, but the clear words of the law include as liable all men born on or subsequent to October 17, 1910, who have reached the age of 20. Thus, men up to 35 years, 7 months of age could be drafted. I cite this fact just to illustrate how loosely drawn is this law. As another example, there is nothing in the law to prohibit the reinduction of men of eligible age who have already had their war service and been discharged.

"Of course, there is no intention to draft men up to the age of 35 years, 7 months. The War Department does not want men over 30, and men over that age will not be reclassified.

"I am, however, authorizing the Secretary of War and the Secretary of the Navy to call upon the Director of Selective Service for the induction of men who become 20 and who will not have reached the age of 30 on the date of their induction. Under present regulations, the top limit is 26. We must save what we can from the near-

¹On May 14 the President approved a bill extending the Selective Training and Service Act of 1940, as amended, until July 1, 1946 (Public Law 379, 79th Cong., 60 Stat. 181). On June 29 he approved a bill further extending the act (Public Law 473, 79th Cong., 60 Stat. 341).

wreckage of the Selective Service System."

Copies of that will be available for you when you go out.

[3.] I have here some reorganization plans—three reorganization plans—which I have sent down to the Congress this afternoon. All detailed and set out in short form—which will be handed to you.

The first reorganization plan confirms the transfer to the Department of State of the Office of Inter-American Affairs, already made by Executive order of the 10th of April.

The Office of the United States High Commissioner of the Philippines is abolished—its affairs to be liquidated by the Department of State, because the Philippines become independent July 4th.

Treasury Department—confirms the transfer by the Executive order of 1943, from Justice to the Treasury, of certain minor functions.

Then the Department of Agriculture functions of eight research bureau agencies, consolidated by an Executive order of 1942 in Agricultural Research, are transferred to the Secretary of Agriculture.

The Office of War Mobilization and Reconversion, Contract Settlement, is transferred to OWMR and abolished.

National Housing Agency—consolidated permanently in one agency the main housing activities of the Government. Lack of permanent status has handicapped NHA operations—fully recognize that the Wagner-Ellender-Taft bill, S.1592, approved by the Senate in April, and now pending in the House, provides, among other things, for a permanent housing organization along the same line. This reorganization follows along the Wagner-Ellender-Taft bill.

Federal Deposit Insurance Corporation—makes permanent transfer to FDIC, by Executive order of 1942.

Then the second reorganization plan follows along the same lines, as does the third one.

All these reorganization plan things will be available for you after the press conference, as many as want them.

These are all the announcements I have to make.

[4.] Q. Mr. President, can we retrace a little your draft statement? What that means is that now you are authorizing Selective Service, through the War and Navy Departments, to draft men between 20 and 30?

THE PRESIDENT. That's correct. That's correct.

Q. That abolishes the present limit of 26—

THE PRESIDENT. That's correct. It will have to be done, if we are—

Q. —to 26—

THE PRESIDENT. —20—18 to 26—

Q. —before the—

THE PRESIDENT. Before the law—

Q. But under the extension—

THE PRESIDENT. Under the extension, the way it is now, we wouldn't get anybody, to speak of. So we have got to arrange somehow to get men to fill the necessary requirements of the War and Navy Departments.

Q. Do you know approximately how many men will be available?

THE PRESIDENT. I do not. We haven't had time to make a survey.

[5.] Q. Mr. President, I understand that the railroad negotiations have broken down. Are you—

THE PRESIDENT. No. We are still working on that. I have nothing to say about that at this time. Still working on it.

Q. John D. Small, Civil Production man, has called for legislation outlawing strikes for the next 6 months at least. I was just

wondering what comment you have on that?

THE PRESIDENT. I have no comment to make at all. That's the first I've heard of it.

Q. First you've heard?

[6.] Q. Is Secretary Byrnes being considered for the Supreme Court?

THE PRESIDENT. Not at the present time. He is Secretary of State.

Q. Mr. President, may I ask another Supreme Court question?

THE PRESIDENT. Certainly.

Q. The local paper today says you are considering Chief Justice Gibson of California very seriously.

THE PRESIDENT. I have no comment.

Q. Has that been brought to your—

THE PRESIDENT. I have no comment to make.

Q. Mr. President, along the same lines, are you considering somebody from outside the Supreme Court for Chief Justice?

THE PRESIDENT. I have no comment to make on that. I will consider everybody that has been presented to me, or talked about.

[7.] Q. Mr. President, have you a fixed view on use of the veto of the Case bill, if the Senate passes it?

THE PRESIDENT. I have no views on it at all. I will not express an opinion on it until it is before me for consideration, because you don't know what developments in the Senate are likely to be.

Q. Mr. President, there have been several stories recently, to the effect that you were considering waiting for the end of this session before you took any action. Could you comment on that?

THE PRESIDENT. No comment.

[8.] Q. Mr. President, are you considering Edwin Pauley for Ambassador to China?

THE PRESIDENT. I am not.

[9.] Q. Mr. President, some food officials and some United Nations officials indi-

cate pretty clearly that you have been in contact with Marshal Stalin on the food problem, and may have received a reply from him. Is that correct, sir?

THE PRESIDENT. I have no comment to make on that. I have been in touch with him, but I do not want to comment on it at the present time.

Q. May we expect something later?

THE PRESIDENT. I hope so.

[10.] Q. Mr. President, dispatches from China indicate that General Marshall's patient efforts to bring the Communists and the Kuomintang together have not been rewarded. Would you care to comment on that?

THE PRESIDENT. No comment. I'll wait until I hear from General Marshall, then I will comment on it.

Q. How much longer will he stay over there?

THE PRESIDENT. As long as it's necessary, and as long as there's any possibility of a job being done.

Q. A number of dispatches, sir, said that his mission had been a failure up to this point?

THE PRESIDENT. I don't think that is true at all.

[11.] Q. Mr. President, returning to the draft for a moment. In view of the rather difficult situation, I would like to ask a question: Are there plans available or being drafted as to what sort of long-term army we expect to have—a professional army or a drafted army, and so forth? Is that in the works at all?

THE PRESIDENT. Yes. It has been in the works ever since the 18th of August last year.

Q. Can you give us any—

THE PRESIDENT. No, I cannot. Still working on it. I have no comment to make on that. I have to have action from down the street before I can arrive at a real program.

[12.] Q. Mr. President, you still have hope that the railroad differences can be worked out—

THE PRESIDENT. Yes, I have.

Q. —in time to prevent a strike?

THE PRESIDENT. I hope so.

Q. Mr. President, when will—

Q. Are you communicating with both sides?

THE PRESIDENT. One at a time, please.

[13.] Q. When will you sign the housing bill—Federal emergency housing bill?

THE PRESIDENT. Whenever it comes to me.

Q. Isn't it here now?

THE PRESIDENT. Not yet.

[14.] Q. Mr. President, what was the third name on that War Damage Commission?

THE PRESIDENT. Francisco A. Delgado—D-e-l-g-a-d-o. I think I put an "r" in when I read it.

[15.] Q. Mr. President, is there anything you can say for the benefit of Members of both Houses on the Hill regarding your attitude on pending labor legislation?

THE PRESIDENT. I think I have made that very, very plain on various occasions. I don't see any reason for further comment on it.

[16.] Q. Mr. President, Mr. La Guardia yesterday indicated that UNRRA information shows that the United States may have 40 percent less wheat shipments for May—600,000 tons instead of a million tons which we have programed. Are you considering any steps to accelerate that goal?

THE PRESIDENT. Why certainly. That is why we have the Combined Food Board. That is why we have all these people traveling around trying to work the thing out. And I think if you will be just a little patient we will give you a little more information a little later, so that conditions are not as bad from the point of view of the United

States as they have been painted. The United States is doing all it possibly can in this emergency, and more than any other country that is doing it, I will say that.

[17.] Q. How bad is the coal situation right now?

THE PRESIDENT. I will comment on it further after my next interview. I said all I had to say this morning.

[18.] Q. Mr. President, have you communicated with both sides in the railroad situation—

THE PRESIDENT. I have.

Q. —since they reported to you this morning?

THE PRESIDENT. They didn't report to me this morning. They were not to report to me until tomorrow.

Q. The unions told us that they reported by telephone their inability to agree.

THE PRESIDENT. They didn't report to me.

Q. Not personally?

THE PRESIDENT. No.

Q. In the light of that, you still hope they can settle—

THE PRESIDENT. I do.

[19.] Q. Mr. President, the morning paper said that Raymond McKeough is headed for the chairmanship of the Maritime Commission.

THE PRESIDENT. I appointed him temporary Chairman this morning.

Q. Will that change the status of Admiral Mills?

THE PRESIDENT. Admiral Mills' name has never been sent to the Senate, and won't be, on account of the controversy which the Commerce Committee got into over Admiral Mills. I sent down Admiral Smith in place of Admiral Mills.

[20.] Q. Mr. President, would you favor removing the ceilings on dairy products to increase production?

THE PRESIDENT. I don't favor removing

the ceilings on any products as long as they are short.

[21.] Q. Mr. President, would you say at this time what is holding up the implementation of the Acheson report on international control—

THE PRESIDENT. Nothing is holding it up.

Q. Senator McMahon is waiting to hold hearings—

THE PRESIDENT. Nothing is holding it up at all. It's under discussion. The United Nations committee—commission—whatever you want to call it—is going to meet on the 20th of June for further discussion, and see if they can arrive at a program.

[22.] Q. Mr. President, I understand, as I remember a week or so ago, you said you might—you might be forced, if necessary, to seize the railroads if necessary to keep them running?

THE PRESIDENT. That's right. That still stands.

Q. If they don't settle this strike before the deadline, do you plan to seize them?

THE PRESIDENT. Certainly.

Q. When?

[23.] Q. Mr. President, is there any truth to the report that you are considering Senator Warren G. Magnuson for Under Secretary of the Navy?

THE PRESIDENT. I have no comment to make. That's the first I've heard of it.

[24.] Q. Mr. President, on the coal strike, if that is not settled, would you consider seizing the coal mines?

THE PRESIDENT. I will cross that bridge—as I told you the other day—when I come to it.¹

Q. Mr. President, that question about the

railroads, sir, mentioned—

THE PRESIDENT. Wait a minute—let's see—this fellow started back there. What was it you wanted to ask?

[25.] Q. Are you authorizing Secretary of State Byrnes to make any comment yet on the Paris peace conference?

THE PRESIDENT. Mr. Byrnes, when he arrives, will make the comment on the Paris peace conference.

[26.] Q. That question—last question about the railroad strike reaching the deadline, you answered that certainly you would seize them. Is the deadline for that their strike call, or your Friday reporting time?

THE PRESIDENT. Well, I will settle that when it becomes necessary. I hope it won't become necessary.

[27.] Q. Mr. President, in connection with the coal settlement this morning, is the report true that—as told by some White House talkers—that at your first conference with John L. Lewis he said he would have to have a little strike of about 5 days?

THE PRESIDENT. I have no further comment to make, except what was in the statement this morning.

[28.] Q. Mr. President, could you tell us anything about Mr. Bowles' visit yesterday and today?

THE PRESIDENT. Well, Bowles was in to see me on regular business, which he has a right to do every day, if he likes.

Q. When he left, he said he hadn't done anything. [*Laughter*]

THE PRESIDENT. We discussed the usual things that we talk about when I talk to Mr. Bowles.

Reporter: Thank you, Mr. President.

¹ On May 21 the President issued Executive Order 9728 "Authorizing the Secretary of the Interior To Take Possession of and To Operate Certain Coal Mines" (3 CFR, 1943-1948 Comp., p. 539).

NOTE: President Truman's sixty-fifth news conference was held in his office at the White House at 4 p.m. on Thursday, May 16, 1946.

120 Statement by the President Upon Issuing Order Directing Possession and Operation of the Railroads. May 17, 1946

I HAVE TODAY by Executive Order directed J. Monroe Johnson, Director of the Office of Defense Transportation, to take over the country's railroads and operate them in the name of the United States Government.

A strike has been called for 4 p.m. tomorrow by two of the twenty railroad labor organizations—the Brotherhood of Locomotive Engineers and the Brotherhood of Railroad Trainmen. These two have declined to accept the findings and recommendations of an Emergency Board created by the President under the Railway Labor Act. In the strike situation thus confronting us, governmental seizure is imperative for the protection of the rights of our citizens.

It is essential to the public health and to

the public welfare generally that every possible step be taken by the Government to "assure to the fullest possible extent continuous and uninterrupted transportation service."

I call upon every employee of the railroads to cooperate with the Government to this end by remaining on duty.

I have asked the parties involved to continue negotiations with the view to reaching an agreement whereby the railroads can be returned to private ownership at the earliest possible date.

NOTE: The President referred to Executive Order 9727 "Possession, Control, and Operation of Certain Railroads" (3 CFR, 1943-1948 Comp., p. 531). On the same day the White House released a statement outlining the history of the railroad labor negotiations.

121 The President's News Conference on the Railway Labor Negotiations. May 18, 1946

THE PRESIDENT. The Engineers and Trainmen have agreed to postpone the strike date from 4 o'clock, May 18, to 4 o'clock, May 23.

That is in response to a request that I made from them, by giving them assurance that I was sure that further progress could be made in the negotiations with the railways if they were willing to negotiate further.

Now, get this carefully: The Trainmen's key word—the Trainmen's key word for postponement is Convention; the Engineers' key word for postponement is Johnston—J-o-h-n-s-t-o-n.

I called them at 3 o'clock, and they called me back at 3:34, and accepted the suggestion.

Q. You called them at 3?

THE PRESIDENT. Yes.

Q. You called when?

THE PRESIDENT. I called them at 3 o'clock, and then they called back at 3:34.

Q. They agreed to postpone on your assurance that—

Dr. Steelman [*to the President*]: You used this word instead of "move."

THE PRESIDENT. Use the word "move" instead of "postpone" there. The Engineers and Trainmen have agreed to move the strike date from 4 o'clock, May 18, to 4 o'clock, May 23.

Q. What is the meaning of that key word?

THE PRESIDENT. That means they will not strike.

Dr. Steelman: The Trainmen will not strike.

THE PRESIDENT. The Trainmen will not strike.

Q. Been given the assurance that—

THE PRESIDENT. Assured them that I was confident that further progress could be made, if they were willing to negotiate further.

Q. Could you tell us what you base that on, sir? Did you confer with the railroad officials before you told them that?

THE PRESIDENT. No, I didn't; but I am confident that that will happen.

Q. Will they be resumed in Washington, Mr. President? They are standing by here.

THE PRESIDENT. They will be resumed immediately.

Q. This key word, sir, is that the key word for resuming—

THE PRESIDENT. For postponement of the strike—for *moving* the strike date. The

key word is to call off the strike at this time.

Q. Anything on coal?

Q. [*Interposing*] Convention is for Trainmen, and what for Engineers?

Voices: Johnston.

THE PRESIDENT. Johnston—J-o-h-n-s-t-o-n.

Q. Mr. President, did you say the negotiations would be resumed here?

THE PRESIDENT. Yes. They will fly here tomorrow.

Q. Mr. President, did you talk to—to Whitney and—to both of them?

THE PRESIDENT. I talked to Whitney and Johnston.

Q. Double setup.

Reporter: Thank you, sir.

THE PRESIDENT. That's all right.

NOTE: President Truman's sixty-sixth news conference was held in his office at the White House at 3:53 p.m. on Saturday, May 18, 1946.

122 Letter to the President of the Senate and to the Speaker of the House Transmitting Bill on Philippine Veterans' Benefits. May 18, 1946

Sir:

I am transmitting, with request for its early introduction and consideration, a bill to provide for the Philippine veterans:

First. Hospitalization, including medical care, for service-connected disability;

Second. Pensions for service-connected disability and death, on a peso-for-dollar basis; and

Third. Appropriate burial and funeral allowance.

The bill also contains general administrative and penal provisions, as well as a provision authorizing hospital care and medical treatment in the Philippine Islands for American veterans residing there.

Under the legislation proposed, the Philippine veteran would have restored to him some of the veterans' benefits which were taken from him by the First Supplemental Surplus Appropriation Rescission Act, 1946, due, doubtless, in part at least, to the impracticability from an administrative viewpoint of applying to Philippine veterans the Servicemen's Readjustment Act and the need for adapting to Philippine conditions the benefits provided by that act.

The standing Philippine Army was made a part of the armed forces of the United States by the President's order of July 26, 1941. Certain guerrillas, who so courageously carried on the war against the enemy

after the fall of the Philippines, were recognized as members of the Philippine Army, hence a part of the Army of the United States.

The record of the Philippine soldiers for bravery and loyalty is second to none. Their assignment was as bloody and difficult as any in which our American soldiers engaged. Under desperate circumstances they acquitted themselves nobly.

There can be no question but that the Philippine veteran is entitled to benefits bearing a reasonable relation to those received by the American veteran, with whom he fought side by side. From a practical point of view, however, it must be acknowledged that certain benefits granted by the GI bill of rights cannot be applied in the case of the Philippine veteran. The agencies which prepared the proposed bill have recognized this fact and have dealt with the legislation on a practical basis, including only that which is susceptible of proper administration. While its enactment will not cure in toto the present discrimination against the Philippine veteran, the proposed legislation constitutes all that is practicable at the present time, and it will clearly indicate to the Filipinos that it is the purpose of the United States Government to do justice to their veterans. More important, it will provide the help so direly needed by many Filipinos who served our cause with unwavering devotion in the face of bitter hardship and wanton cruelty.

I am directing the Veterans' Administra-

tion, the War Department and the High Commissioner to the Philippines to give consideration to a practicable method of providing some educational opportunity for the Philippine veteran and of assuring, so far as possible, employment for him. If these additional benefits can be put into effect, it is my view, as well as the view of those interested, that substantial justice will have been done the Philippine veteran and the existing discrimination against him removed.

The proposed legislation has the full endorsement of the Veterans' Administration, the War Department, and the High Commissioner to the Philippines. I urge upon you its early enactment.

I am also writing to the Speaker of the House (President pro tempore of the Senate), forwarding another copy of the proposed bill.

Very sincerely yours,

HARRY S. TRUMAN

NOTE: This is the text of identical letters addressed to the Honorable Kenneth McKellar, President pro tempore of the Senate, and to the Honorable Sam Rayburn, Speaker of the House of Representatives.

The draft bill transmitted with the President's letter was introduced as S. 2235 and H.R. 6805 and referred to committee.

On June 4 the White House released a letter, dated May 21, which the President had received from the Honorable Manuel Roxas, President-elect of the Philippines. In his letter, Mr. Roxas stated that the President's "action in sending the Philippine Veterans Bill to Congress was greeted here with the same feeling of gratitude which has attended all of the other generous acts of the American people with regard to us. I trust that Congress will act speedily on this matter."

123 Letter to the Director of War Mobilization and Reconversion Concerning the Establishment of U.N. Headquarters.

May 22, 1946

[Released May 22, 1946. Dated May 18, 1946]

My dear Mr. Snyder:

With respect to the establishment of the temporary headquarters of the United Nations in New York, I have advised Mr. Stettinius as follows in a telegram dated May 14:

"I am very glad to authorize you to inform the Secretary General that the United States Government will firmly support him in his effort to carry out the General Assembly's decision to establish the temporary headquarters of the United Nations in New York for an interim period of three years.

"You are also authorized to confirm to Lie and to other delegations that the Federal Government will give all appropriate assistance to the United Nations in connection with arrangements for temporary headquarters."

These arrangements will include the granting of priorities for materials, the making available of physical facilities controlled by the Federal Government, and such other steps as may be necessary not only to provide

the United Nations with adequate office space, conference rooms, assembly hall and other facilities to be used by it, but also to assure adequate housing and transportation for members of the Secretariat and the delegations of the Member Nations.

In case of any differences of opinion as to the appropriate steps to be taken, I request you to exercise by the issuance in your discretion of appropriate directives, the full powers which have been delegated to you under applicable statutes and executive orders. In any case where, in your opinion, action should be taken by any officials of the Federal Government in this matter which they are unwilling to take and which you are not authorized to direct, I would appreciate your bringing the matter to my attention for decision.

Sincerely yours,

HARRY S. TRUMAN

[The Honorable John W. Snyder, Director, Office of War Mobilization and Reconversion, The White House]

124 Radio Address to the American People on the Railroad Strike Emergency. *May 24, 1946*

[Broadcast from the White House at 10 p.m.]

My fellow countrymen:

I come before the American people tonight at a time of great crisis. The crisis of Pearl Harbor was the result of action by a foreign enemy. The crisis tonight is caused by a group of men within our own country who place their private interests above the welfare of the nation.

As Americans you have the right to look to the President for leadership in this grave emergency. I have accepted the responsibility, as I have accepted it in other emergencies.

Every citizen of this country has the right to know what has brought about this crisis. It is my desire to report to you what has

already taken place and the action that I intend to take.

Negotiations between the unions and the railroad operators started in accordance with the Railway Labor Act. Twenty unions were involved. Eighteen of these unions agreed to arbitrate the wage question, and an award was made. Now Alvanley Johnston, President of the Brotherhood of Locomotive Engineers and A. F. Whitney, President of the Brotherhood of Railway Trainmen, refused to arbitrate the matter for their unions and instead took a strike vote. An Emergency Board heard the case of these two unions and recommended the same wage increase awarded to the other 18 unions. Mr. Johnston and Mr. Whitney, however, rejected the Emergency Board's recommendation in its entirety.

I began conferring with Mr. Whitney and Mr. Johnston as far back as February 21, 1946, in order that every effort should be made to avert a rail strike. When it became evident that the parties themselves were unable to agree, I submitted a compromise proposition to all the parties involved.

Negotiations were made considerably more difficult by the attitude of Mr. Whitney and Mr. Johnston in refusing my request that they meet with the operators and the other 18 unions in a joint conference in the office of the President of the United States. They agreed to meet with the operators but not in the presence of the representatives of the other unions. Accordingly, three separate conferences had to be held in the White House.

The unions had been awarded an increase of 16 cents per hour and certain changes in rules by the arbitration and emergency boards. I recommended that they accept the 16 cent increase awarded by the Boards, plus 2½ cents in lieu of rule changes.

These rule changes had been considered by the Emergency Board, which recommended that most of them be negotiated by the parties.

After consideration, this compromise was accepted by the operators and by 18 of the unions. These 18 unions were cooperative. They placed the interests of their country first. The compromise was rejected by the locomotive engineers and the trainmen.

This offer of an increase of 18½ cents per hour was eminently fair. It would have resulted in actually increasing the take-home pay of the union members above the greatest take-home pay which they enjoyed during the war. In addition, these two unions are among the highest paid unions in the country. It is also important that the suggested increase of 18½ cents was within the wage stabilization formula—and this formula must be maintained.

Instead of accepting this offer as did 18 of the unions and the operators, Mr. Johnston and Mr. Whitney chose to reject it and to call a strike of their unions. I assume that these two men know the terrible havoc that their decision has caused and the even more extreme suffering that will result in the future. It is inconceivable that the rank and file of these two unions realize the terrifying situation created by the action of these two men.

The effects of the rail tie-up were felt immediately by industry. Lack of fuel, raw materials and shipping is bringing about the shutdown of hundreds of factories. Lack of transportation facilities will bring chaos to food distribution.

Farmers cannot move food to markets. All of you will see your food supplies dwindle, your health and safety endangered, your streets darkened, your transportation facilities broken down.

The housing program is being given a severe setback by the interruption of shipment of materials.

Utilities must begin conservation of fuel immediately.

Returning veterans will not be able to get home.

Millions of workers will be thrown out of their jobs.

The added inflationary pressure caused by the drop in production cannot be measured.

While the situation in our country is extremely acute, the condition in Europe is tragic. Most of our friends today in liberated Europe are receiving less than one-third of the average American consumption of food. We have promised to help the starving masses of Asia and Europe, and we have been helping them. We have been exerting our utmost efforts and it is necessary for us to increase our shipments. At this minute 100,000 tons of grain are being held up by the strike of these two unions. UNRRA has 12 ships scheduled to leave from our ports with grain. These ships cannot sail because the strike of these two unions is keeping the food from reaching the ports. If these ships are held up any longer it means that the bread supply of 45 million people will be cut off within one week.

These people are living from hand to mouth. They depend upon weekly shipments from us to meet their minimum daily needs. This grain held up in this country by the strike of these few men means the difference between life and death to hundreds of thousands of persons. This is stark, tragic truth. If the operation of our railroads is not resumed at once thousands of persons, both here and abroad, will starve. During these past weeks I have told Mr. Johnston and Mr. Whitney of the tragedy that would result from a strike. They have refused to heed my warning. I doubt

whether the rank and file of their unions have been told these facts. I am telling them now so that each one of them can face his conscience and consider the spectre of starvation and death that will result from the course which Mr. Whitney and Mr. Johnston are following.

I do not speak tonight of the situation in the coal mines of the nation, for the men are now at work and negotiations for settlement are now taking place between the government and the unions.

I am a friend of labor. You men of labor who are familiar with my record in the United States Senate know that I have been a consistent advocate of the rights of labor and of the improvement of labor's position. I have opposed and will continue to oppose unfair restrictions upon the activities of labor organizations and upon the right of employees to organize and bargain collectively. It has been the basic philosophy of my political career to advocate those measures that result in the greatest good for the greatest number of our people. I shall always be a friend of labor.

But in any conflict that arises between one particular group, no matter who they may be, and the country as a whole, the welfare of the country must come first. It is inconceivable that in our democracy any two men should be placed in a position where they can completely stifle our economy and ultimately destroy our country. The Government is challenged as seldom before in our history. It must meet the challenge or confess its impotence.

I would regret deeply if the act of the two leaders of these unions should create such a wave of ill will and a desire for vengeance that there should result ill-advised restrictive legislation that would cause labor to lose those gains which it has rightfully made during the years.

As President of the United States, I am the representative of 140 million people and I cannot stand idly by while they are being caused to suffer by reason of the action of these two men.

This is no contest between labor and management. This is a contest between a small group of men and their government. The railroads are now being operated by your government and the strike of these men is a strike against your government. The fact is that the action of this small group of men has resulted in millions of other workers losing their wages. The factories of our country are far behind in filling their orders. Our workers have good jobs at high wages but they cannot earn these wages because of the willful attitude of these few men. I cannot believe that any right of any worker in our country needs such a strike for its protection. I believe that it constitutes a fundamental attack upon the rights of society and upon the welfare of our country. It is time for plain speaking. This strike with which we are now confronted touches not only the welfare of a class but vitally con-

cerns the well-being and the very life of all our people.

The railroads must resume operation. In view of the extraordinary emergency which exists, as President of the United States, I call upon the men who are now out on strike to return to their jobs and to operate our railroads. To each man now out on strike I say that the duty to your country goes beyond any desire for personal gain.

If sufficient workers to operate the trains have not returned by 4 p.m. tomorrow, as head of your government I have no alternative but to operate the trains by using every means within my power. I shall call upon the Army to assist the Office of Defense Transportation in operating the trains and I shall ask our armed forces to furnish protection to every man who heeds the call of his country in this hour of need.

This emergency is so acute and the issue is so vital that I have requested the Congress to be in session tomorrow at 4 p.m. and I shall appear before a joint session of the Congress to deliver a message on this subject.

125 Special Message to the Congress Urging Legislation for Industrial Peace. May 25, 1946

[As delivered in person before a joint session]

Mr. President, Mr. Speaker, Members of the Congress of the United States:

I desire to thank you for this privilege of appearing before you, in order to urge legislation which I deem essential to the welfare of our country. For the past two days the Nation has been in the grip of a railroad strike which threatens to paralyze all our industrial, agricultural, commercial, and social life.

Last night I tried to point out to the

American people the bleak picture which we face at home and abroad if the strike is permitted to continue.

The disaster will spare no one. It will bear equally upon businessmen, workers, farmers and upon every citizen of the United States. Food, raw materials, fuel, shipping, housing, the public health, the public safety—all will be dangerously affected. Hundreds of thousands of liberated people of Europe and Asia will die who

could be saved if the railroads were not now tied up.

As I stated last night, unless the railroads are manned by returning strikers, I shall immediately undertake to run them by the Army of the United States.

I assure you that I do not take this action lightly. But there is no alternative. This is no longer a dispute between labor and management. It has now become a strike against the Government of the United States itself. That kind of strike can never be tolerated. If allowed to continue, the Government will break down. Strikes against the Government must stop. I appear before you to request immediate legislation designed to help stop them.

I am sure that some of you may think that I should have taken this action earlier, and that I should have made this appearance here before today. The reason I did not do so, was that I was determined to make every possible human effort to avoid this strike against the Government and to make unnecessary the kind of legislation which I am about to request.

For months, publicly and privately, I have been supervising and directing negotiations between the railroad operators and the twenty different railroad unions. I have been doing the same with respect to the pending labor dispute in the coal mines. Time and again I have seen the leaders of the unions and the representatives of the operators. Many hours have been spent by me personally and many days have been spent by my representatives in attempting to negotiate settlements of these disputes.

I assure you that it was not easy to be patient. But until the very last moment I made every effort to avert this crisis. In fact my representatives were in conference with the two striking railroad unions up to 2

hours before I took my place at the microphone last night.

However, when the strike actually broke against the United States Government which was trying to run the railroads, the time for negotiation definitely had passed and the time for action had arrived. In that action you, the Congress of the United States, and I, the President of the United States, must work together—and we must work fast.

The action which I have already taken, and the action which I shall ask you to take are necessary for the preservation of our Government. That action is also necessary to save the great and mighty masses of working men and women from the dangerous effects of the ill-advised and misguided acts of some of their own leaders.

This particular crisis has been brought about by the obstinate arrogance of two men. They are Mr. Alvanley Johnston, President of the Brotherhood of Locomotive Engineers, and Mr. A. F. Whitney, President of the Brotherhood of Railway Trainmen. Eighteen other unions and all of the railroad companies of the Nation are ready to run the railroads, and these two men have tried to stop them.

I can well appreciate the attitude of those members of the Congress and those citizens of the United States outside of the Congress who would seek to take vengeance for the unpatriotic acts of these two men. However, I am sure that none of us wishes to take any action which will injure labor.

The contribution of labor to the growth of this country in peace and to victory in war, is at least as great as that of any other group in our population. Without well-paid, well-housed, and well-nourished working men and women in this country, it would stagnate and decay. I am here not only to urge speedy action to meet the immediate crisis,

but also deliberate and weighty consideration of any legislation which might affect the rights of labor.

The benefits which labor has gained in the last 13 years must be preserved. I voted for all these benefits while I was a member of the Congress. As President of the United States I have repeatedly urged not only their retention but their improvement. I shall continue to do so.

However, what we are dealing with here is not labor as a whole.

We are dealing with a handful of men who are striking against their own Government and against every one of their fellow citizens—and against themselves.

We are dealing with a handful of men who have it within their power to cripple the entire economy of the Nation.

I request temporary legislation to take care of this immediate crisis. I request permanent legislation leading to the formulation of a long-range labor policy designed to prevent the recurrence of such crises and generally to reduce stoppages of work in all industries for the future.

I request that the temporary legislation be effective only for a period of 6 months after the declaration by the President or by the Congress of the termination of hostilities. It should be applicable only to those few industries in which the President by proclamation declares that an emergency has arisen which affects the entire economy of the United States. It should be effective only in those situations where the President of the United States has taken over the operation of the industry. In such situations where the President has requested the men either to remain at work or to return to work and where such a request is ignored, the legislation should:

(a) authorize the institution of injunctive or mandatory proceedings against any union

leader forbidding him from encouraging or inciting members of the union to leave their work or to refuse to return to work; subjecting him to contempt proceedings for failure to obey any order of the Court made in such proceedings;

(b) deprive workers of their seniority rights who, without good cause, persist in striking against the Government.

(c) provide criminal penalties against employers and union leaders who violate the provisions of the act.

The legislation should provide that after the Government has taken over an industry and has directed the men to remain at work or return to work, the wage scale be fixed either by negotiation or by arbitrators appointed by the President and when so fixed, it shall be retroactive.

This legislation must be used in a way that is fair to capital and to labor alike. The President will not permit either side—industry or workers—to use it to further their own selfish interest, or to foist upon the Government the carrying out of their selfish aims.

Net profits of Government operation, if any, should go to the Treasury of the United States.

As a part of this temporary emergency legislation, I request the Congress immediately to authorize the President to draft into the Armed Forces of the United States all workers who are on strike against their Government.

[At this point the President was handed a message by Leslie L. Biffle, Secretary of the Senate.]

Word has just been received that the railroad strike has been settled, on terms proposed by the President!

These measures may appear to you to be drastic. They are. I repeat that I recommend them only as temporary emergency

expedients and only in cases where workers are striking against the Government.

I take this occasion again to request early action by the Congress to continue its price control and stabilization laws in an effective form. The stoppage of work in many industries has brought about a decline of production which has caused great pressure upon price levels. We must protect the workers whom we ask to remain on their jobs, as well as the millions of workers who have remained on their jobs and the many millions of other American citizens, against the extraordinary inflation which may come upon us. Delay by the Congress is daily increasing these pressures and I urge immediate action.

I have said that I am most anxious—as I am sure the majority of the Members of the Congress are—to do nothing which would injure labor or the cause of labor.

I believe that the time has come to adopt a comprehensive labor policy which will tend to reduce the number of stoppages of work and other acts which injure labor, capital, and the whole population.

The general right of workers to strike against private employers must be preserved.

I am sure, however, that adequate study

and consideration can produce permanent long-range legislation which will reduce the number of occasions where that ultimate remedy has to be adopted. The whole subject of labor relations should be studied afresh.

I recommend the immediate creation by the Congress of a joint committee to make that study. That committee should study the whole problem and, within a period of 6 months bring in recommendations for appropriate legislation which would be fair to labor and to industry and to the public at large.

I make these recommendations for temporary and long-range legislation with the same emphasis on each. They should both be part of one program designed to maintain our American system of private enterprise with fairness and justice to all the American citizens who contribute to it.

I thank you.

NOTE: The President spoke shortly after 4 p.m. The address was carried on a nationwide radio broadcast.

S. 2255 and H.R. 6578, bills "to provide on a temporary basis during the present period of emergency for the prompt settlement of industrial disputes vitally affecting the national economy in the transition from war to peace," were introduced and referred to committee.

126 The President's News Conference of

May 31, 1946

THE PRESIDENT. Well, I haven't any special announcements to make to the press this morning, but I thought maybe the press might want to ask a question or two, so I thought I would let you in this morning.

[1.] Q. Mr. President, has Mr. Stettinius talked to you about resigning?

THE PRESIDENT. Mr. Stettinius sent me a letter of resignation based on the fact that he thought his—the job he agreed to do—

which was to complete the organization of the United Nations program—had been completed. I expressed the hope to him that he would not insist on that resignation. I want him to stay, and so does the Secretary of State.

Q. Has he sent more than one letter of resignation—has he attempted it before, sir?

THE PRESIDENT. No, he hasn't. This was a surprise to me.

Q. When was it, Mr. President—the first letter?

THE PRESIDENT. Day before yesterday—well, it has been 2 or 3 days ago. I think about Monday, probably.

Q. That is where the matter stands now?

THE PRESIDENT. That is where it stands.

Q. You haven't heard from him since then, sir?

THE PRESIDENT. I think he's going to stay. I am sure—I hope he will.

[2.] Q. Mr. President, do you plan to sign the Case bill?

THE PRESIDENT. I will have to analyze the Case bill when it gets to me. I haven't seen it, and I don't know what it contains. I will give you the answer when I have had a chance to analyze it.

[3.] Q. Mr. President, at Potsdam, do you recall whether Generalissimo Stalin proposed an all-German overall control agency for Germany?

THE PRESIDENT. The agreement at Potsdam, as I remember it, was for a—communications, transportation, and finances was to be in overall control. That is as I remember the Potsdam agreement. I would have to look it up to be absolutely sure.

Q. Molotov said in this blast the other day that this thing had been proposed by Stalin but never got anywhere—had been rejected. The first any of us had ever heard of it.

THE PRESIDENT. Not rejected by us. It had to be rejected because of the inability of the four controlling powers to agree on all the details. I don't know who is at fault. The best thing to do is to ask the Secretary of State. I think he can answer that for you.

[4.] Q. Mr. President, what do you think of Mr. Whitney's assertion that you signed your political death warrant?

THE PRESIDENT. I have no comment.

Q. Mr. President, have you seen the transcript Mr. Whitney put out of the reported

conversation with you—

THE PRESIDENT. No. I don't read Mr. Whitney.

Q. What was that, sir?

THE PRESIDENT. I don't read Mr. Whitney.

[5.] Q. Mr. President, do you think the Senate's action in eliminating the draft feature of your labor legislation greatly weakens the bill?

THE PRESIDENT. I think so. I think that the draft provision in that bill has been grossly misrepresented and misunderstood.

It is customary, in an emergency, even when a sheriff has an emergency in his county, he can deputize any citizen to act to enforce the law. That was really the power that I wanted, in that case, because we needed experts, particularly in the railroad situation, to run the trains; and I merely wanted the authority to deputize those fellows to meet the emergency, just as you would in any other great emergency. And I don't think it has been understood. I think they're misrepresenting it. It is not—was not intended as a "draft labor" proposal. It was a "draft citizens" proposal in an emergency.

[6.] Q. Mr. President, have you any plans to see Stalin?

THE PRESIDENT. No immediate plans. I would be glad to see him. I have invited him to visit me here in Washington on two occasions, and he has regretted that he couldn't come on account of his health.

[7.] Q. Mr. President, it is reported in Italian newspapers that this Government plans to decorate King Umberto for his services to the Allied cause.

THE PRESIDENT. I never heard of it.

[8.] Q. Mr. President, how recently did you invite Mr. Stalin to visit you here?

THE PRESIDENT. Well, let's see. I imagine it has been within 30 days.

Q. Both times, sir, within 30 days?

THE PRESIDENT. No, no. The first time was at Potsdam, and the second time about 30 days ago, in the correspondence between us on food and things, I have asked him if he wouldn't come over and pay a visit to me in Washington.

Q. Did he reply each time it was because of ill health?

THE PRESIDENT. He replied each time that his doctors did not think it was well for him to take such a long journey. That is almost exactly what he said.

Q. Is there any question of meeting elsewhere?

THE PRESIDENT. Not in the immediate future.

[9.] Q. Mr. President, in view of the tone of the exchanges between Secretary Byrnes and Mr. Molotov, do you think there is much chance for success for the next Council of Foreign Ministers and much chance that the Russians will agree to the 21-nation peace conference?

THE PRESIDENT. I can't answer a question like that, Bert.¹ That is a matter you ought to take up with the State Department.

Q. They can't answer it either.

THE PRESIDENT. All right then; you can't get an answer. [*Laughter*]

[10.] Q. Mr. President, going back to this Stalin correspondence, sir, 10 days ago you said you might have something to say on release of that correspondence. Can we expect that now?

THE PRESIDENT. Well, I think it's all been released by the State Department.

Q. No, sir—we have made inquiries over there, but the note has not been released. It has, on one broadcast from Moscow.

THE PRESIDENT. I will refer you to the State Department, because there are complications in connection with it which the State

Department will have to handle.

[11.] Q. You remarked that you didn't have any plans for the immediate future for another international meeting on the top level. Does that mean there is one in the works that will come along—

THE PRESIDENT. No, it doesn't. It means just what it says.

[12.] Q. Mr. President, to return to the emergency legislation you recommended, do you still wholeheartedly support that recommendation?

THE PRESIDENT. Of course I do. I wouldn't have made it if I wasn't going to wholeheartedly support it; and the House was in the same frame of mind—and I appreciate that.

[13.] Q. Mr. President, are you considering Judge Vinson for World Bank President?

THE PRESIDENT. What's that?

Q. Are you considering Judge Vinson for World Bank President?

THE PRESIDENT. No.

Q. Are you considering him for the Supreme Court, Mr. President?

THE PRESIDENT. No.

[14.] Q. Mr. President, on the Stettinius correspondence, do I understand it correctly that you have sent him a letter saying you hoped he wouldn't press his resignation?

THE PRESIDENT. No. I haven't had a chance to answer his letter as yet. That is the sort of letter I am expecting to send to him. The letter came right in the middle of all this turmoil, and I haven't had the opportunity to answer it.

[15.] Q. Mr. President, do you have any hope of averting the maritime strike?

THE PRESIDENT. It looks very dark at the present time, and we are making the necessary preparations to keep the ships running.

Q. Those necessary preparations, Mr. President, include the Navy and War Ship-

¹ Bert Andrews of the New York Herald Tribune.

ping Administration taking them over?

THE PRESIDENT. It would take whatever is necessary to do it. It will include Navy, the War Shipping, and the Army and the Coast Guard. Nothing will be left undone to keep the ships running.

[16.] Q. Mr. President, have you heard from the Secretary of War and Secretary of the Navy on the merger?

THE PRESIDENT. The report is to come in today, and I am having a conference with them on Tuesday. I haven't seen the report.

Q. You instructed them to get together on a plan by May 31st?

THE PRESIDENT. As nearly as they could get the report to me, then we would discuss the matter, that was the conversation.

[17.] Q. Mr. President, in view of the legislative situation on the Hill, do you still expect to go—make the trip to the Philippines July 4th?

THE PRESIDENT. Well, of course, you are talking too long a way in advance. The situation on the Hill has a lot of time to develop between now and that time. I hope I can make the trip to the Philippines.

[18.] Q. Mr. President, in your plan for meeting the maritime strike, do you have sufficient legislation now to arrange the—to make arrangements and go ahead with the—

THE PRESIDENT. We will go just as far as present legislation will allow us. The emergency program would be of very great help in meeting that situation.

[19.] Q. Do you think, Mr. President, you will find time during June to make the Supreme Court appointment, or appointments? [*Laughter*]

THE PRESIDENT. I hope so.

Q. Anybody in mind?

THE PRESIDENT. I am in no hurry about that. The Supreme Court is getting along very well.

[20.] Q. In your correspondence with Marshal Stalin, did you suggest any program which you might take up, or hoped he would take up if he came over here?

THE PRESIDENT. I did not. I asked him for a social visit.

Q. Did you ask Mr. Attlee at the same time, sir?

THE PRESIDENT. Mr. Attlee was asked last fall, and he came.

Q. I wondered in this last invitation to Mr. Stalin, did you propose another meeting of the Big Three?

THE PRESIDENT. I did not.

[21.] Q. Mr. President, when did Justice Black give you that statement from Henry Clay?

THE PRESIDENT. Oh, a month ago.

Q. Month ago?

THE PRESIDENT. Yes. Maybe more than that. He and I were discussing the conditions in the United States at the time of Jefferson, Jackson, and Lincoln, and he just happened to refer to that. I read it, but I had forgotten about it, and he called it to my attention. It fits the situation very well.¹

[22.] Q. Mr. President, was your last invitation to Marshal Stalin after the Paris conference?

THE PRESIDENT. I can't remember—no, it wasn't. I think it was maybe while the Paris conference was going on. I can give you the date exactly if you would like to have it. It's in the record.

[23.] Q. Mr. President, it has been more

¹ The reporter referred to the President's extemporaneous remarks to the graduating class of George Washington University on May 29. Shortly after receiving an honorary degree the President read a quotation from Henry Clay in which Clay in 1833 predicted that if "the progress of innovation" continued at the current rate until 1837, the Government of the United States "will have been transformed into an elective monarchy." Mr. Truman stated that he had received the quotation from Justice Hugo Black.

than 3 months since the full employment bill has passed and you haven't yet named the Economic Advisory Council—

THE PRESIDENT. Yes I have. The difficulty with naming that Advisory Council is to get the proper men to accept the responsibility. Because of the treatment that some people get before the Senate and the Congress, it's a difficult matter to get the right sort of men to accept the possibility of that sort of treatment.

Q. Mr. President, is it a question also of getting the Senate to accept those men? Isn't that part—

THE PRESIDENT. Why certainly. Certainly that's part of the difficulty.

[24.] Q. Mr. President, is there any possibility of a new Under Secretary of the Navy soon?

THE PRESIDENT. Well, not right soon. I hope we will have a chance to appoint an Under Secretary of the Navy very shortly. We need—we certainly need one.

Q. Are you having the same difficulty with that appointment—

THE PRESIDENT. Yes I am.

Q. —getting them to accept—

THE PRESIDENT. Yes I am.

[25.] Q. Mr. President, did the Government improve the terms of the coal contract after last Saturday?

THE PRESIDENT. Yes, the Government approved them, or they wouldn't be in effect.

Q. Improved them?

THE PRESIDENT. I beg your pardon?

Q. Were the Government's terms increased or improved after Saturday?

THE PRESIDENT. No, they were not. They were just exactly what was stated to you on Saturday.

[26.] Q. Has the impending visit of the Argentine chief of staff come to your personal attention? Do you have any plans in that respect?

THE PRESIDENT. I didn't know about it.

Reporter: Thank you, Mr. President.

THE PRESIDENT. You're welcome.

NOTE: President Truman's sixty-seventh news conference was held in his office at the White House at 10:30 a.m. on Friday, May 31, 1946.

127 Letter Accepting Resignation of Edward R. Stettinius as U.S. Representative to the United Nations. *June 3, 1946*

Dear Ed:

When I received your letter of resignation a few days ago I stated that I did not want to accept it and hoped that I might persuade you to remain in office.

This morning when you reminded me of my statement that I would relieve you after the United Nations organization was established and functioning I still hoped that I might induce you to withdraw your resignation. Only because of your earnest insistence have I decided to comply with your request and accept your resignation.

In doing so I wish to express to you my sincere appreciation of your cooperation and of your splendid service. As Under Secretary and later as Secretary of State you made a valuable contribution to the United Nations, serving at Dumbarton Oaks and San Francisco. In the Security Council you have represented our Government in a manner reflecting credit upon yourself and upon the United States.

I accept without question the statements in your letter as to the reasons for your wishing to resign at this time and wish you

good fortune in whatever you may determine to do.

Sincerely yours,

HARRY S. TRUMAN

[The Honorable Edward R. Stettinius, Jr., Washington, D.C.]

NOTE: Mr. Stettinius served as U.S. Representative to the United Nations from December 21, 1945, to June 3, 1946. His letter of resignation, dated May 23, was released with the President's reply.

128 Statement by the President Upon Signing the National School Lunch Act. *June 4, 1946*

TODAY, as I sign the National School Lunch Act, I feel that the Congress has acted with great wisdom in providing the basis for strengthening the nation through better nutrition for our school children. In my message to Congress last January, I pointed out that we have the technical knowledge to provide plenty of good food for every man, woman, and child in this country, but that despite our capacity to produce food we have often failed to distribute it as well as we should. This action by the Congress represents a basic forward step toward correcting that failure.

In the long view, no nation is any healthier than its children or more prosperous than its farmers; and in the National School Lunch Act, the Congress has contributed

immeasurably both to the welfare of our farmers and the health of our children.

Under previous school lunch programs made possible by year-to-year authorizations we have been able to provide as many as six million children with nutritious lunches at noon. This has laid a good foundation for the permanent program. In the future, increasing numbers will benefit—and on a permanent basis.

I hope that all State and local authorities will cooperate fully with the United States Department of Agriculture in establishing the cooperative school lunch in every possible community.

NOTE: The National School Lunch Act is Public Law 396, 79th Congress (60 Stat. 230).

129 The President's News Conference of *June 6, 1946*

THE PRESIDENT. [1.] Well, I'm going to make Fred Vinson Chief Justice of the United States; and John L.—W. Snyder Secretary of the Treasury; and John L. Sullivan Under Secretary of the Navy. [*Laughter and exclamations of surprise*]

Q. Start over, sir.

Q. John L. Sullivan what?

THE PRESIDENT. Under Secretary of the Navy. [*More laughter and exclamations*] That's a good fighting name, isn't it?

Q. When will the nominations go up, sir?

THE PRESIDENT. Right now.

[2.] Q. Mr. President, can you tell us anything of the luncheon today with President-elect of Colombia?

THE PRESIDENT. Yes, it was a very pleasant lunch—[*laughter*].

Q. The jackpot!

Q. Mr. President—

THE PRESIDENT. Wait until I answer this question. I think I can truthfully say that

a good time was had by all. [*More laughter*]

[3.] Q. Mr. President, who is going to succeed Mr. Snyder?

THE PRESIDENT. That office will come to its termination.

Q. That ends that office?

THE PRESIDENT. It will come to its termination. I didn't say it would end it, because it's going to take some time to do it.

Q. What about the other jobs under that, like Economic Stabilizer?

THE PRESIDENT. Well, whatever is necessary to be carried on in that office will be carried on by the men there.

Q. They will keep on?

THE PRESIDENT. Yes, they will keep on.

Q. Does that mean Mr. Bowles now becomes the head man—

THE PRESIDENT. Mr. Bowles will continue with his job as he now has it.

Q. How long do you expect it will take, sir, to terminate the duties of Mr. Snyder's office?

THE PRESIDENT. I haven't the slightest idea. It will have just to work out as quickly as it can. Never can tell. I have prophesied its termination two or three times before, and we have had to continue them, so I am not making any prophecy in regard to that.

[4.] Q. Would you mind saying when you decided on Vinson?

THE PRESIDENT. About an hour and a half ago.

Q. We are getting it hot, then?

THE PRESIDENT. Right off the griddle.

[5.] Q. Mr. President, the story was published this morning that you had definitely decided to veto the Case bill?

THE PRESIDENT. That is not true, because I am analyzing the Case bill myself now, and I am having reports from the various interested departments, and when those are

all before me, and I have them properly digested, I will make up my mind on the Case bill.

[6.] Q. Mr. President, do you have any plans to seize the Pittsburgh ball club? [*Laughter*]

THE PRESIDENT. The Pittsburgh ball club goes on strike?

Q. They are going to go out tomorrow night.

THE PRESIDENT. Well, I want to say to you that if those ball fellows go on strike, and I have to take them over, I'll have two damn good teams in St. Louis! [*More laughter*]

[7.] Q. Mr. President, haven't you been getting an unusual amount of lobbying pressure on the Case bill?

THE PRESIDENT. Oh—no—about the usual amount on a piece of legislation of that kind. I am used to that kind of stuff. That doesn't have any effect on me. I used to get them thirty thousand at a time when I was in the Senate.

[8.] Q. Do you intend to return Myron Taylor from his diplomatic post—

THE PRESIDENT. I have no comment on that.

[9.] Q. Mr. President, this full employment committee, have you named that?

THE PRESIDENT. I have been trying to name it, but it has been almost impossible to get anybody to work on it. As soon as I can find the people that will take it over to say they are going to do it, I will have that done. I have been working on it right along.¹

[10.] Q. Mr. President, has Ambassador Kirk made known his desire not to return to Italy?

THE PRESIDENT. No.

¹ For appointments to the committee (Council of Economic Advisers), see Items 177 [2] and 183.

[11.] Q. Mr. President, is it understood that the United States and Britain are permitted to consult with the Arabs before determining any permanent long-range policy with regard to Palestine? Why can't the United States insist upon the immediate admission of the hundred thousand Jews recommended by the Anglo-American—

THE PRESIDENT. We have made such a recommendation to Great Britain, but there are certain details and obstacles which have to be overcome before any such arrangement can be made, in the case of housing, transportation, and a lot of other things. The Secretary of State and the Foreign Minister of Great Britain are in conversation now on that subject.

[12.] Q. Mr. President, are you planning to take over the J. I. Case and Allis-Chalmers companies?

THE PRESIDENT. If it is necessary, in order to get farm machinery, we will take them over. I hope we won't have to take them over. I like always to see those things settled without the Government interfering.

[13.] Q. Mr. President, any comment on the maritime situation?

THE PRESIDENT. No. That is being worked out by the Department of Labor.

Q. Mr. President, you still plan to use the Navy and Coast Guard, and so forth?

THE PRESIDENT. I have made my statement on that. It still stands.

[14.] Q. Mr. President, we asked this question last week, but in view of the present status of legislation, the question arises whether you still favor the draft features of the antistrike bill?

THE PRESIDENT. I favor the bill as it passed the House, just as I told you last week.

[15.] Q. Has Ambassador Kirk assured you, Mr. President, that he is going to resume his duties in Rome?

THE PRESIDENT. I haven't talked to Ambassador Kirk at all. I haven't had any conversation at all. This is news to me. Where did you get it, from the State Department? I have never heard of it.

[16.] Q. Mr. President, getting back to Palestine, does what you said before mean that Great Britain has agreed that a hundred thousand Jews should be admitted—

THE PRESIDENT. No, it doesn't. I am making no statement on what Great Britain wants to do. I have made a statement on what I would like to do, and I have made the request on that. And we are now in the midst of negotiations, trying to get something done on it.

Q. Can you say how long you made that request, sir—how long ago?

THE PRESIDENT. Well, it was announced at the time. It has been 5 or 6 months ago.

[17.] Q. Mr. President, have you any comment on the action of the Senate Banking Committee on OPA?

THE PRESIDENT. I don't know what that action was.

Q. Well, emasculating the bill?

THE PRESIDENT. I will take care of that when it comes before me. I can't make any comment before the bill comes up here, because I don't know what's in it.

[18.] Q. Have you named an assistant naval aide to Captain Clifford yet? We had two letters of inquiry on that.

THE PRESIDENT. No. There are a lot of assistant aides over there. We had dozens of them that worked today on the luncheon.

Q. But you don't have a chief assistant—

THE PRESIDENT. Naval aide is all I have. I have one naval aide. And he has all the assistance that is necessary, and when we have a social affair they work on it.

[19.] Q. I wonder if I could ask if Mr.

Sullivan eventually will be Navy Secretary, under this——

THE PRESIDENT. I can't answer that question.

Q. You don't know how long Forrestal is going to stay?

THE PRESIDENT. I think he said he would stay as long as I wanted him. And I want him to stay. That is as strong as I can make it.

[20.] Q. Could you give us an idea when you expect to formulate your views on the merger? You said the other day——

THE PRESIDENT. I am working on that now, and at the proper time I will write a directive to the Army and the Navy, and you shall have a copy of it.

[21.] Q. Mr. President, in permitting the OWMR to lapse, in this new arrangement, does that mean that virtually all of our reconversion troubles are now over with?

THE PRESIDENT. Will you state that again, Bob,¹ I didn't get it.

¹ Robert G. Nixon of International News Service.

Q. You told us that you would let the OWMR lapse in its regular way——

THE PRESIDENT. That's right.

Q. ——and I wondered if that means that all our reconversion difficulties are virtually ended now?

THE PRESIDENT. Not all of them, but most of them are.

[22.] Q. Mr. President, you said you would write a directive to the Army and Navy. Does that mean you are going to do this without legislation?

THE PRESIDENT. Oh no——oh no. I can't do it without legislation.

Q. That's what I thought. Well, what will the directive cover?

THE PRESIDENT. The directive will cover the instructions to the Army and Navy on what the President's policy is, and that they are expected to get behind it.

Reporter: Thank you, Mr. President.

THE PRESIDENT. You're welcome.

NOTE: President Truman's sixty-eighth news conference was held in his office at the White House at 4 p.m. on Thursday, June 6, 1946.

130 Letter to the Speaker of the House of Representatives Transmitting Proposed Reductions in Appropriations for War Agencies. *June 7, 1946*

The Speaker of the House of Representatives.

SIR: Pursuant to the provisions of the Second Deficiency Appropriation Act, 1944, I have the honor to transmit herewith for the consideration of Congress proposed rescissions and provisions as set forth in the letter of the Director of the Bureau of the Budget, in whose comments and observations thereon I concur.

These recommendations are the result of the continuous review of the war and war-related appropriations and authorizations

which I indicated in my previous recommendations would be made.

Respectfully yours,

HARRY S. TRUMAN

NOTE: A White House release of June 10, describing the President's proposal, stated that the President had recommended repeal of appropriations totaling \$3,089,436,596 and of contract authorizations of \$174,178,000, and that he had indicated the War Department would deposit in the Treasury \$993,098,585 of excess funds. The release also stated that these amounts were in addition to previous rescissions of \$53,914,924,373 in cash and \$4,674,706,880 in contract authorizations. The release

added that the appropriations recommended for rescission included \$1,138,258,365 for the civil agencies of the Government, \$1,563,283,418 for the Military Establishment, and \$387,894,813 for the Naval Establishment.

The details of the proposal as set forth in the letter of the Director of the Bureau of the Budget, transmitted with the President's letter, are printed in House Document 645 (79th Cong., 2d sess.).

131 Veto of the Case Bill.

June 11, 1946

To the House of Representatives:

I am returning herewith, without my approval, HR 4908, entitled "An Act To Provide Additional Facilities For the Mediation of Labor Disputes, And For Other Purposes."

The outstanding domestic problem confronting this country today is the maintenance and increase of production. We must have production, or the effects or ruinous inflation will be felt by every one of our citizens. Strikes and lockouts are the greatest handicaps to attaining vital production.

Inasmuch as the solution of our present-day labor problems constitutes the key to production, this present bill must be judged in the light of whether it will assist in reducing labor strife in the nation.

I have given careful study to the bill. I have not considered it from the standpoint of whether it favors or harms labor, or whether it favors or harms management. I have considered it from the standpoint of whether or not it benefits the public, which includes both management and labor.

In the determination of the question of whether or not the great majority of our citizens will be benefited by this bill, the question presented is whether it will help to stop strikes and work stoppages and prevent other practices which adversely affect our economy.

I have reached the conclusion that it will not.

I have tried, as the representative of all the people of our nation, to approach this problem objectively, free from the emotional strains of the times, and free from every consideration except the welfare of our nation and of the world which is so dependent upon our recovery to a full peacetime economy.

This bill was undoubtedly passed by the members of the Congress in the sincere belief that it would remedy certain existing conditions which cause labor strife and produce domestic turmoil. I cannot agree with the Congress with reference to the results that would be achieved by it.

I trust that there will be no confusion in the minds of the members of the Congress or in the minds of the public between this bill and my request on May twenty-fifth for emergency legislation.

At that time I requested temporary legislation to be effective only for a period of six months after the termination of hostilities, and applicable only to those few industries which had been taken over by the Government and which the President by proclamation declared that an emergency had arisen which affected the entire economy of the country.

It was limited to strikes against the Government. It did not apply to strikes against private employers.

Such emergency legislation is now before the Congress, and I again make the request that it be passed.

H.R. 4908 is utterly different from my proposal of May 25, in kind and in degree. Its range is broad, dealing with a wide variety of subjects some of which are wholly unrelated to the subject of settling or preventing strikes. It covers strikes against private employers. It is permanent legislation, operative even after the reconversion period is entirely over. And it applies not to a few selected and vital industries, but to every dispute, no matter how insignificant, if the dispute affects interstate commerce.

At the same time, May 25, I also requested permanent legislation leading to the formulation of a long-range labor policy designed to prevent the recurrence of such crises, and generally to reduce work stoppages in all industries. I further recommended the immediate creation by the Congress of a joint committee to study the entire question and, within six months, to bring in its recommendations for appropriate legislation. I again renew the recommendation that a joint committee be appointed to make a study of the whole subject of labor relations, and to suggest permanent long-range legislation.

The fact that we are faced with an emergency which does justify the passage of temporary emergency legislation does not, in my opinion, justify us in the adoption of permanent legislation without the study that such permanent legislation needs. The bill is actually a collection of separate unrelated measures and is not an over-all solution of this most important problem. We must not make a false start. We must not approach the problem on a piecemeal basis as this bill does.

It is suggested that the bill merely constitutes a beginning, that it should be placed upon our statute books, and that we can then proceed with the study of additional legislation. I cannot agree with this thesis. This bill is not a permanent solution of our

difficulties; and if it should become law, I fear that it may possibly result in being the only permanent legislation we would obtain.

We are not faced with a decision of choosing between this legislation and no legislation at all. It is more properly a choice between this particular bill and a more adequate and more inclusive solution of the problem.

The proposed measure, although described as a mediation law, is divided into two unrelated parts. The first six sections contain provisions relative to the mediation of labor disputes, postponement of strikes, and fact-finding. The remaining sections consist of provisions relative to robbery, extortion, unauthorized welfare funds, prohibitions against the organization of supervisory employees, union liability in the courts, and provisions establishing criminal sanctions, injunctive remedies and suits for treble damages against unions engaging in secondary boycotts, jurisdictional disputes and certain other activities. These are a few of the many complex problems which must be studied with infinite care before the proper solutions are found and incorporated into permanent legislation.

One of the factors to be considered in judging this bill is whether or not it would have prevented, or shortened, the strikes which have so seriously damaged our economy these last few months. Judged solely from this standpoint, I am sure a fairminded man would have to admit that it would have failed completely.

In 1943, in the heat of a controversy over a stoppage of war production in the coal mines, the Congress passed the War Labor Disputes Act, more commonly known as the Smith-Connally Act. In his veto message of June 25, 1943, President Roosevelt warned the Congress that the strike-vote provisions of Section 8 of the Smith-Connally

Act would not lessen but would promote industrial strife. That prediction was fully borne out by subsequent events. It is my belief that a similar result would follow the approval of this bill.

If a joint committee to investigate this entire subject were appointed immediately and if the subject were given the priority to which it is entitled, a report covering the entire field could be submitted to the Congress within this calendar year.

I have analyzed the bill carefully and herewith submit my comments on the various sections:

Section 1. Declares that the objectives of the act are to encourage settlement of disputes between labor and management by collective bargaining and by conciliation, mediation, and voluntary arbitration, thereby minimizing industrial strife, strikes, and lockouts.

Upon careful consideration, I have come to the conclusion that the bill will not achieve this high and unquestionably desirable objective. On the contrary, much of the bill is not only wholly foreign to the achievement of that objective, but, in my judgment, would actually defeat it.

Section 2. Defines certain key terms used in the bill.

Section 3. Provides that employers and employees in industries affecting commerce shall: exert reasonable efforts to make and maintain collective bargaining agreements; give adequate notice of proposed changes; provide for the final adjustment of grievances or questions regarding the interpretation of agreements; arrange promptly for conferences with respect to labor disputes and cooperate with the new Federal Mediation Board in attempting to settle disputes amicably. The Mediation Board may proffer its services for the purpose of aiding in

the settlement of a labor dispute affecting commerce.

If federal mediation is proffered, lockouts and strikes affecting commerce are unlawful until mediation is concluded or until 60 days after a written request has been made by one of the parties for a conference, whichever is earlier. An employer who changes the status quo by lock-out or other action is deemed to have engaged in an unfair labor practice within the meaning of the National Labor Relations Act. An employee who disturbs the status quo during this period, by striking or by engaging in a concerted slow-down of production, loses his status as an employee for the purposes of the National Labor Relations Act, unless he is re-employed.

Although Section 3 is ostensibly designed to insure that the parties will attempt to reach a peaceful settlement, making a strike unnecessary, I feel that it would, in practice, tend to increase the number of strikes. I think it would lead to the development of methods to avoid the operation of this section. The bill provides that the right to strike is postponed only if the Federal Mediation Board proffers its mediation services before the strike starts. I foresee that some unions might choose to strike before the Mediation Board had had an opportunity to determine whether it should enter into a certain case—an action not prohibited in the proposed statute. Although the purpose of the provision is to eliminate the so-called “quickie” strike, its effect might be to encourage unions to resort to such strikes.

If an employer violates the prohibitions of this section, he is merely guilty of an unfair labor practice. He may only be ordered by the National Labor Relations Board to cease and desist and to pay any back pay due. An employee, on the other

hand, may suffer a far greater penalty. By Section 3(d), he loses his very status as an employee. That means that the employer, without offering any further reason, may refuse to reinstate him. The penalties are inequitable. An employer guilty of a violation can only be ordered (long after the event) to stop his violation and to restore the status quo. The employee, however, loses his basic industrial rights and perhaps even his means of livelihood. I fear that the provisions of Section 3(d) might well result in some employers provoking strikes in order to give them the opportunity to discharge the employee leaders.

To avoid the consequences of Section 3, and to legalize a strike under the bill, a union need only give early notice of a request for a conference to start the running of the 60-day period during which strikes are forbidden. The result probably would be a great rush of premature notices for conferences. Sixty days thereafter, employees would feel free to strike—with the sanction of the Congress. So, too, there would be premature demands for mediation, long before the possibilities of direct negotiations between the parties had been exhausted.

No standard whatever—except only that the dispute should affect commerce—is provided for determining whether the Federal Mediation Board should proffer its services, although a strike can become illegal only if it occurs after such offer. It is apparently left to the Board's discretion. This places a heavy burden and extraordinary responsibility upon Federal mediation. Because of the serious consequences arising from the proffering of mediation services—namely the outlawing of a strike—mediation is likely to be discouraged and withheld in many cases where it might prove most useful. It is highly undesirable for the mere fact of mediation to operate so repressively upon

one of the parties. Mediation should be welcomed by both parties to be effective. This provision would have just the contrary effect.

And, under Section 3, even if mediation is proffered, and the 60-day period expires without results, nothing happens. No facts are publicly found; no recommendations are made; no report is issued. No matter how important the dispute—whether in the steel, the automotive, or the shipping industry, so long as it is not a public utility—at the end of the 60 days, there is the anti-climax of nothing.

Not one of the major disputes which have caused such great public concern during the past months would have been affected in any way by this bill had it been law at the time.

The railroad strike would not have been covered by the bill at all. And the coal, steel and automotive strikes were certainly not caused by an insufficient lapse of time between the union's request for conferences and the calling of a strike. Each of these strikes would have had the full sanction of the bill.

Thus the very difficulties which this bill was presumably drafted to meet have been left untouched by it. These sections fail to provide a satisfactory method of coping with the labor-management disputes which confront the nation.

Section 4. This creates a new five-man Federal Mediation Board. All mediation and conciliation functions of the Secretary of Labor and the United States Conciliation Service are transferred to the Board. The Board, although technically within the Department of Labor, would not be under the control of the Secretary of Labor.

I consider the establishment of this new agency to be inconsistent with the principles of good administration. As I have previously stated, it is my opinion that gov-

ernment today demands reorganization along the lines which the Congress has set forth in the Reorganization Act of 1945, i.e., the organization of government activity into the fewest number of government agencies consistent with efficiency. Control of purely administrative matters should be grouped as much as possible under members of the Cabinet, who are in turn responsible to the President.

The proposed Federal Mediation Board would have no quasi-judicial or quasi-legislative functions. It would be purely an administrative agency. Surely, functions of this kind should be concentrated in the Department of Labor.

Since 1913 there has been within the Department of Labor and responsible to the Secretary of Labor a United States Conciliation Service formed with the very purpose of encouraging the settlement of labor disputes through mediation, conciliation, and other good offices. The record of that service has been outstanding. During the period of one year from May, 1945, through April, 1946, it settled under existing law 19,930 labor disputes. Included in this total were 3,152 strikes, almost ten each day. The Conciliation Service has formed one of the principal divisions of the Department of Labor.

The bill proposes to transfer that Service and its functions to the newly-formed Federal Mediation Board. To me this is the equivalent of creating a separate and duplicate Department of Labor, depriving the Secretary of Labor of many of his principal responsibilities and placing the conciliation and mediation functions in an independent body.

In the eyes of Congress and of the public the President and the Secretary of Labor would remain responsible for the exercise of mediation and conciliation functions in

labor disputes, while, in fact, those functions would be conducted by another body not fully responsible to either.

As far back as September 6, 1945, I said in a message to Congress: "Meanwhile, plans for strengthening the Department of Labor, and bringing under it functions belonging to it, are going forward." The establishment of the proposed Federal Mediation Board is a backward step.

Section 5. Provides that it is the duty of the Mediation Board to prevent or minimize interruption of commerce growing out of labor disputes. The Board may proffer its services upon its own motion or upon the request of one or more of the parties to the dispute. Where mediation does not succeed, the Board is required to recommend voluntary arbitration.

Section 6. Provides that where a labor dispute threatens a substantial interruption of an essential public utility service, the Board, in the public interest, may request the President to create an Emergency Commission, and the President is authorized to appoint such Commission. The Commission investigates and reports within 30 days, after which the President must make the report public. The cooling-off period is extended for a maximum period of 95 days, with an additional 30 days upon the approval of the parties.

Much of the discussion with reference to Section 3 is applicable here. It is difficult to understand why the Congress has applied the fact-finding principle to public utilities but has omitted it entirely in other industries of equal importance.

The remaining sections of the bill have nothing whatever to do with the expressed objectives of the bill.

Section 7. Re-enacts in amended form the so-called Anti-Racketeering Act. On its face, this section does no more than prohibit

all persons, whether union representatives or employees or others, from interfering with interstate commerce by robbery and extortion.

I am in full accord with the objectives which the Congress here had in mind.

However, it has already been suggested that some question may arise from the fact that Section 7 omits from the original act the provision that it was not to be construed so as to "impair, diminish or in any manner affect the rights of bona fide labor organizations in lawfully carrying out the legitimate objects thereof."

It should be made clear in express terms that Section 7 does not make it a felony to strike and picket peacefully, and to take other legitimate and peaceful concerted action.

Section 8. Provides that it is a crime for an employer to contribute to a welfare fund to be administered solely by an employee representative. It is also a crime for the employee representative to receive the contribution. Welfare funds established by employee representatives are to be restricted to certain specific uses. The prohibitions of the section are made enforceable by injunction. Certain routine exemptions to the operation of the section are made.

Welfare funds supported by employers and administered by unions are no novelty. I believe it is inadvisable to remove such a question as this from the scope of collective bargaining between employer and employee. This section does more than require that there be joint control of such funds. It specifically limits the uses to which the monies deposited in such funds may be put.

This whole subject needs long and careful study. To write into the permanent law the program for worker's welfare funds without a study by any committee of the Congress is, in my opinion, at least improvident. This

particular provision was prepared and presented because of one of the items of controversy in the recent coal strike. I feel that this is altogether too important and too complicated a question to be disposed of hastily.

Section 9. This provision deprives supervisory employees of their status as employees for the purposes of the National Labor Relations Act.

This section would strip from supervisory employees the rights of self-organization and collective bargaining now guaranteed them under the National Labor Relations Act. I fear that this section would increase labor strife, since I have no doubt that supervisory employees would resort to self-help to gain the rights now given to them by law.

This complex question has long been under consideration by the National Labor Relations Board. The Board and the courts have pointed out that supervisory employees have a dual capacity. In dealing with the employees under them, they act for management. However, with respect to their own wages, hours of work, and other terms and conditions of employment, they act for themselves. The full right of supervisory employees to the benefits of collective bargaining is one that cannot be lightly thrown aside.

On the other hand, management is entitled to proper protection. Somewhere in the area of disagreement between the parties the line can be drawn with reasonable accuracy. There has been no attempt to draw that line in this section.

Section 10. Provides that suits for violation of collective bargaining contracts affecting commerce may be brought in the Federal Courts; labor organizations are deemed to be bound by the acts of duly authorized agents acting within the scope of their authority and may sue or be sued as a separate

entity; money judgments against a labor organization are made enforceable but only against assets of the Union; any employee who strikes or otherwise interferes with the performance of a collective bargaining contract in violation of the contract without approval of the labor organization party to the contract loses his status as an employee for the purposes of the National Labor Relations Act unless he is reemployed.

I am in accord with the principle that it is fair and right to hold a labor union responsible for a violation of its contract. However, this legislation goes much farther than that. This section, taken in conjunction with the next section, largely repeals the Norris-LaGuardia Act and changes a long-established Congressional policy.

I am sure that, without repealing the Norris-LaGuardia Act, changing this long-established Congressional policy, or imperiling the principles of the National Labor Relations Act, a sound and effective means of enforcing labor's responsibility can be found.

Section 11. This provision subjects various union activities to the anti-trust laws with all their criminal sanctions, injunctive remedies, and provisions for treble damages. Although the section is entitled "Secondary Boycotts," the scope of the section in fact extends far beyond such matters. While its enactment would provide remedies that might result in the elimination of certain evils, such as improper applications of the secondary boycott, it would also make those remedies available against recognized legitimate activities of organized labor.

That there are some abuses in this field, no one can gainsay. I deplore the strike or boycott arising out of a jurisdictional dispute as one of the most serious of such abuses. A way must be found to prevent the jurisdictional strike. It cannot be justified under any circumstances. I am convinced, how-

ever, that the antitrust laws, the objectives of which are the elimination of unfair business practices and the protection of free competition, are not designed to solve the abuses pointed out in this section.

In this regard, however, I do not need to emphasize the necessity of applying the antitrust laws to combinations between employers and labor designed to restrain competition.

Section 11 (c) rescinds the Norris-LaGuardia Act with respect to antitrust actions against labor organizations. The labor injunction is a weapon to which no private employer should be entitled except within the careful restrictions laid down by that Act. We should not invite the return to the practice of issuing injunctions without notice or hearing and a revival of the other abuses that tended to discredit our Courts and give rise to the widespread popular denunciation of "government by injunction."

Injunctions requested by the Government itself, and designed to restrain strikes against the Government in cases where refusal to work for the Government has produced a condition of national emergency, are, to my mind, an essential element of Government authority. This authority, however, should not be available to private employers under the vast variety of conditions contemplated by Section 11 of this present Bill.

Sections 12-14. These sections include provisions with respect to making copies of collective bargaining agreements available to the public and with respect to furnishing available data which may aid in the settlement of labor disputes. They are unobjectionable.

The passage of H.R. 4908 confirms the need for a careful study of labor-management problems with a view toward long-range remedies. It demonstrates the dangers of attempting to draft permanent labor

legislation without painstaking and exhaustive consideration.

H.R. 4908 strikes at symptoms and ignores underlying causes. As I have noted, not a single one of the recent major strikes would have been affected by this bill had it been law.

As I said to the Congress on May 25, we should immediately have temporary legislation, dealing with the urgencies of the present, so that strikes against the Government which vitally affect the public welfare can be halted. This is necessary in the midst of the extraordinary pressures of re-conversion and inflation. I have asked the Congress for such legislation. The precise form which such emergency legislation is to take is, of course, for the Congress to decide. But if the form adopted is inadequate, the responsibility must also rest with the Congress.

It must be remembered that industrial strife is a symptom of basic economic maladjustments. We cannot attribute work stoppages to any one factor. As we move from war to peace, severe strains are placed upon our economic system. Labor and management alike are seeking security. The combination of rising prices, scarcity of commodities, lowered standards of living, and altered tax programs today creates fears which are present at the conference table to disturb the orderly process of collective bargaining.

A solution of labor-management difficulties therefore is to be found not alone in well considered legislation dealing directly with industrial relations, but also in a comprehensive legislative program designed to remove some of the causes of the insecurity felt by many workers and employers.

During the past ten months I have urged the Congress to enact such a program. Among the proposals which I have recom-

mended are adequate insurance against unemployment, health and medical services for families of low and moderate income at costs they can afford, a fair minimum wage, and the continuance of the price control and stabilization laws in effective form. These measures would remove some of the major causes of insecurity and would greatly aid in achieving industrial peace.

Our problem in shaping permanent legislation in this field is to probe for the causes of lockouts, strikes and industrial disturbances. Then, to the extent possible, we must eliminate these causes. Strikes against private employers cannot be ended by legislative decree. Men cannot be forced in a peace-time democracy to work for a private employer under compulsion. Therefore, strikes must be considered in the whole context of our modern industrial society. They must be considered in the light of inflationary pressures, of problems of full employment, of economic security.

Legislation governing industrial relations is workable only when carefully considered against this broad background. I am confident that with painstaking and dispassionate study which will probe fairly and deeply, Congress can evolve equitable legislation which promises an era of peaceful industrial relations.

We accomplish nothing by striking at labor here and at management there. Affirmative policy is called for, and a Congressional Committee such as I have suggested is the best means of formulating it.

There should be no emphasis placed upon considerations of whether a bill is "anti-labor" or "pro-labor." Where excesses have developed on the part of labor leaders or management, such excesses should be corrected—not in order to injure either party—but to bring about as great an equality as possible between the bargaining positions of

labor and management. Neither should be permitted to become too powerful as against the public interest as a whole.

Equality for both and vigilance for the public welfare—these should be the watchwords of future legislation.

The bill which I am returning to you does not meet these standards.

Many procedures have been suggested from time to time by students of the problem. They should all be considered. A com-

prehensive study of this problem should be based on a realization that labor is now rapidly “coming of age” and that it should take its place before the bar of public opinion on an equality with management.

It is always with reluctance that I return a bill to the Congress without my approval. I feel, however, that I would not be properly discharging the duties of my office if I were to approve H.R. 4908.

HARRY S. TRUMAN

132 Statement by the President Upon Appointing a Cabinet Committee on Palestine and Related Problems. *June 11, 1946*

IN VIEW of the urgency of various problems relating to the displaced Jews in Europe and Palestine, I am appointing under the chairmanship of the Secretary of State a Cabinet Committee on Palestine and Related Problems, composed of the Secretaries of State, War and Treasury. The Committee will be charged with assisting me in formulating and implementing such policy with regard to Palestine and related problems as may be adopted by this Government. An executive order will be issued outlining the functions and authority of the Committee in further detail.

The Committee will be authorized to negotiate with the British Government and with other foreign governments and to maintain contact with private organizations relative to the various matters arising out of the recommendations of the Anglo-American Committee of Inquiry.

It is my earnest hope that the Cabinet Committee will be able to undertake its urgent tasks at the earliest possible moment.

NOTE: Later on the same day the President issued Executive Order 9735 “Establishing a Cabinet Committee on Palestine and Related Problems” (3 CFR, 1943-1948 Comp., p. 542).

133 Special Message to the Senate Urging Ratification of the International Convention on Civil Aviation. *June 11, 1946*

To the Senate of the United States:

In the autumn of 1944, at the invitation of the United States, an International Civil Aviation Conference was held in Chicago. The main purpose and chief result of this Conference was the preparation of an important treaty, the International Convention on Civil Aviation. On March 12, 1945, President Roosevelt referred this Convention to

the Senate, with a request for consideration and ratification. It has now become a matter of urgency to this nation, and to many other nations, that the Senate act upon the Convention.

The Convention has two major elements: (1) It restates and codifies the accepted principles of international law pertaining to air navigation; (2) it provides for the estab-

lishment of an International Civil Aviation Organization.

The parts of the Convention dealing with the principles of international air law are self-explanatory, and I feel sure that the Senate will recognize the value of the codification.

Similarly, I believe the proposed International Civil Aviation Organization will recommend itself to the Senate. The most important task of this Organization, under the terms of the Convention, will be the promotion of safety of life in the air. In this connection, it will develop international standards for airworthiness of aircraft, for competence of aviation personnel, and for operating practices and facilities on the international air routes. The Organization will also study the economic problems of international air transport; and in certain instances it may be used as an instrument through which such international aviation facilities and services as airports, radio aids, and weather information could be internationally financed.

The Organization will come into existence on a permanent basis when the Convention has been ratified by 26 Governments. It will have its headquarters in Montreal, Canada. Meanwhile, as is accepted practice in such undertakings, and in accordance with an Interim Agreement, the Organization has been temporarily established on a provisional basis.

The Provisional Organization is concerned with the same activities which will engage the permanent Organization, but it lacks full powers and its life is limited. It is increasingly apparent that the establishment of the permanent Organization cannot be indefinitely delayed without damage to interests vital to this and other countries. As matters stand, the safety regulations cannot be finished or made fully effective, and the

economic activities remain merely exploratory. Meanwhile, as international air traffic rapidly expands, individual nations and airlines are developing their own regulations and operating practices. The guidance and authority of an actively functioning international Organization is urgently needed to assure the uniform standards required for safety, efficiency, and economy.

The Convention makes no attempt to cover controversial questions of commercial aviation rights. It leaves these questions to be settled by other international agreements, which are entirely independent of the Convention, and which provide for the reciprocal exchange of commercial air transport rights. Under authority vested in me, I have actively undertaken to consummate such agreements, in order to assure the most favorable development of international civil aviation. Naturally, agreements of this nature to which the United States is a party are consistent with the requirements of the Civil Aeronautics Act, are valid under its terms, and fully protect the public interest. Under these agreements, before foreign air carrier permits are issued by the United States to foreign airlines, they must qualify under the provisions of the Civil Aeronautics Act.

It is very important to the future of American aviation that the Convention be promptly ratified. At the recent meeting of the Provisional Organization in Montreal, it was agreed that all the nations concerned would aim at March 1, 1947, as the ratification deadline. In order to make it possible for the nations as a group to meet this deadline, it is vital that the United States ratify the Convention during the present session of Congress. At the present time, nine Governments have already ratified the Convention, but it is plain that many others are withholding action pending ratification by this country. Hope of bringing the Con-

vention into effective operation in the near future depends on prompt action by this country, which would stimulate similar early action by other Governments.

We need also to consider the possibility that, if we hold back, the permanent Organization may eventually be established without our participation. In that event, our airlines might be forced to operate in foreign countries under regulations which we had had no part in framing, and which might adversely affect our aircraft and air transport industries. If the interests of this country are to be fully represented in the work of the

permanent Organization, the United States, which sponsored the original International Civil Aviation Conference in Chicago, needs to give evidence, by prompt ratification of the Convention, of continued leadership. I feel confident that the Senate will recognize this serious responsibility and notable opportunity.

HARRY S. TRUMAN

NOTE: The convention was favorably considered by the Senate and after ratification entered into force April 14, 1947. It is published with related papers in the U.S. Statutes at Large (61 Stat. 1180).

134 Letter Accepting Resignation of Randolph Paul as Special Assistant for Negotiations on German Assets in Switzerland.
June 12, 1946

[Released June 12, 1946. Dated June 11, 1946]

Dear Randolph:

I have received your letter of May twenty-eighth informing me of the successful completion of the Allied negotiations with the Swiss Government on the subject of German assets in Switzerland. Knowing, as I do, the personal sacrifice made by you in taking on this responsibility and of your strong desire to return to the organization of your new firm, I feel that I cannot now ask you to assume additional responsibilities and, in accordance with your request, I reluctantly accept your resignation.

I shall look forward with interest to receiving the complete report which you are sending me concerning the negotiations. However, I do not need the report to know that the task entrusted to you was a difficult

one and that you have handled it in the same meritorious fashion in which you have consistently discharged other responsibilities, both public and private. Your accomplishments in the Swiss negotiations are important steps in the rehabilitation of countries devastated by the war and the elimination of future threats to world security.

Please accept my personal thanks and I shall hope that you may before long be again in a position to use your talents in the service of the Government.

Very sincerely yours,

HARRY S. TRUMAN

NOTE: Mr. Paul served as the President's Special Assistant for Negotiations on German Assets in Switzerland from February 28 to June 11, 1946. His letter of resignation was released with the President's reply.

135 Veto of Bill To Promote Former Prisoners of War in the Navy, Marine Corps, and Coast Guard. *June 14, 1946*

To the Senate:

I return herewith, without my approval, S. 1805, the purpose of which is to provide for the promotion of personnel of the Navy, Marine Corps, and Coast Guard who were prisoners of war, without regard for the needs of the service, and with provisions for retroactive increases of pay and allowances.

In my opinion the measure is neither necessary nor in the national interest.

The Act does not include personnel of the Army and it is my considered belief that any such law should provide a common policy for prisoners of war of all of the armed forces of the United States.

The Secretary of War and the Secretary of the Navy entered into an agreement on March 31, 1945, establishing a common policy on this matter, giving special consideration to the promotion of returned prisoners of war of their respective services, with

provisions for waiver of time in grade, position vacancy and billet requirements. By administrative action of the two Departments under existing law, such personnel have been or are now being promoted to the rank, grade, or rating and precedence which they presumably would have acquired had they not been captured.

The Act contemplates expenditure of large and indefinite sums of money by reason of its retroactive features relative to increases in pay and allowances. The number of personnel of the Army who were taken prisoners of war far exceeds the number of such personnel of the Navy, and if equal provision were made applicable to personnel of all the armed forces of the United States, there would be involved an expenditure of additional sums far in excess of those contemplated by the Act in its present form.

HARRY S. TRUMAN

136 The President's News Conference of *June 14, 1946*

THE PRESIDENT. [1.] Practically all the Cabinet officers, and heads of all the agencies, and the advisory committee set up by the Congress, have stated that the office being vacated by Mr. Snyder ought to be continued. And for that reason, I am appointing John Steelman to take over that job, and he will still continue to be the White House labor adviser, at the suggestion of the Secretary of Labor.

That's the only announcement I have to make.

Q. Mr. Steelman will be Director of OWMR?

THE PRESIDENT. That's right.

Q. Regular title?

THE PRESIDENT. That's right.

[2.] Q. Mr. President, will Mr. Gardner remain Chairman of the Advisory Board?

THE PRESIDENT. Max Gardner has been trying to resign ever since he was made Under Secretary of the Treasury, and we have so far been able to persuade him to remain. I don't know whether he will stay or not. I would like to have him, of course, if he will.

[3.] Q. Mr. President, will you sign the OPA?

THE PRESIDENT. I can't answer that question until OPA is before me, and I don't know what will be in it.

[4.] Q. Mr. President, do you think there will be a shipping strike tonight?

THE PRESIDENT. No, I don't. I am informed by the Labor Department that there is a very good chance that it will be settled before the day is over.

[5.] Q. Mr. President, have you reached any decision on the J. I. Case Company yet?

THE PRESIDENT. I have it still under advisement.

Q. Mr. President, does that apply to the Allis-Chalmers, too?

THE PRESIDENT. The Allis-Chalmers people are still negotiating. They may be able to settle it without any interference from the Government; I hope they will be.

[6.] Q. Mr. President, do you have any comment on the statement which Mr. Baruch is making today on the atomic energy control—

THE PRESIDENT. Mr. Baruch has been informed of the policy of the President with regard to atomic energy, and I haven't seen his statement, but I imagine he is following the policy as it was outlined to him by myself and the Secretary of State.

Q. Mr. President, is that policy outlined in the so-called Acheson-Lilienthal report?

THE PRESIDENT. No. It's the policy outlined in the directive which I sent to Mr. Baruch.

[7.] Q. Mr. President, in February, when you transmitted the Report of the National Advisory Council to Congress, you said you would recommend to Congress an increase of a billion and a quarter dollars in the Export-Import Bank's lending authority. Do you still plan to do that this session?

THE PRESIDENT. I have not yet got to the point where I can consider that.

[8.] Q. Mr. President, did you have any advance knowledge of Justice Jackson's statement?

THE PRESIDENT. Justice Jackson wired me on Sunday substantially what he released in Germany, and I suggested to him that he not release it until he had had a chance to talk with me.¹

Q. Did he subsequently talk to you by telephone?

THE PRESIDENT. He did not.

Q. He did not?

Going further on that, sir, do you agree with the many critics who are saying that Jackson and Black ought to resign from the Court, for the good of the Court and the country?

THE PRESIDENT. I have no comment on that.

Q. In the background to that case, did Justice Black or any representative of Justice Black ever threaten at any time that Black would resign if you were to appoint Jackson?

THE PRESIDENT. I never discussed the appointment of the Chief Justice of the United States with any member of the Supreme Court.

[9.] Q. Mr. President, any prospective change in the Ambassador to Ottawa?

THE PRESIDENT. Not that I know of.

[10.] Q. Mr. President, has there been any indication that Jackson might resign, or Black might resign?

¹ The statement, released in Nuremberg, Germany, where Justice Jackson was on leave from the Supreme Court to serve as chief American prosecutor at the war crimes trials, was in the form of a cablegram to the Senate and House Judiciary Committees considering the nomination of Secretary of the Treasury Fred M. Vinson as Chief Justice. It concerned a much publicized feud within the Court, a controversy which Justice Jackson noted "goes to the reputation of the Court for nonpartisan and unbiased decision." The statement, dated June 10, is printed in the Congressional Record (vol. 92, p. 6724).

THE PRESIDENT. No. I have made no indications of that sort.

[11.] Q. Mr. President, I have been asked to ask you if you have got any plans to make Mr. McNutt Ambassador to the Philippines?

THE PRESIDENT. I am going to appoint Mr. McNutt Ambassador to the Philippines. It will be going down today or tomorrow—very soon. He will be Ambassador—the first Ambassador to the Philippines.

[12.] Q. Also, about Governor of Puerto Rico, do you have any news on that?

THE PRESIDENT. No. I have nothing to say on that, about Puerto Rico.

[13.] Q. Mr. President, were you correctly quoted by the Federal Council of Churches that you would recall Myron Taylor after the signing of the Italian peace treaty?

THE PRESIDENT. I don't think the word *recall* was used.

Q. No. I stand corrected.

THE PRESIDENT. I made the statement—I am not correcting you—they did say that—whoever did say that said *recall*—I made the statement to those ministers and bishops who were in here, representing all the Protestant churches, that Mr. Taylor had a special mission to perform. He was sent to Rome by President Roosevelt, to aid in keeping the peace; and I had sent him back, in order to aid in making the peace, and that when the purposes had been accomplished, there would be no official representative of the President at the Vatican.

I don't know how long that will take. However long it takes, we will go through with the thing to the end.

Q. Are you speaking now of the Italian peace?

THE PRESIDENT. Peace in the world.

[14.] Q. Mr. President, the British

Foreign Minister, Mr. Bevin, made some very interesting remarks on the Palestine question the day before yesterday. Have you any comment on Mr. Bevin's apparent foreclosure on the plan to ship one hundred thousand Jews to Palestine?

THE PRESIDENT. I haven't seen Mr. Bevin's statement, and it is not—it has not been officially communicated to me; so therefore I have no comment to make on it.

We still are urging the entry of one hundred thousand of these refugee Jews in Germany to Palestine, and are endeavoring to arrive at a means by which that can be done. We are in communication with England now, for that purpose.

Q. Mr. President, has any consideration ever been given to the fact that perhaps we would get along better with England on this subject if we made some gesture toward welcoming a few of these immigrants to the United States?

THE PRESIDENT. You know what the immigration laws of the United States are. We have to comply with them.

Q. Any intention of recommending any change in the immigration laws—

THE PRESIDENT. I do not.

Q. Mr. President, are you going to publish whom you are going to send to England soon, to settle on what measures we are willing to take to facilitate this one hundred thousand movement?

THE PRESIDENT. That's what this committee is going to England for, to discuss it with the English to see if we can arrive at an agreement.

Q. Is that the Grady committee?

THE PRESIDENT. The special committee that was appointed by the Executive order the other morning, consisting of the Secretary of War, Secretary of State, and Secretary of Treasury.

Q. Are they going over there?

THE PRESIDENT. No, they are not. They will send representatives.¹

[15.] Q. Mr. President, do you care to say what you will do about the emergency strike legislation, if it comes to you with the Case bill rider on it?

THE PRESIDENT. I never comment on legislation until it is before me. Then I will analyze it, and I will let you know more about it.

[16.] Q. Mr. President, Senators O'Mahoney and Overton proposed a plan under which the Federal Government contribution

¹Executive Order 9735 "Establishing a Cabinet Committee on Palestine and Related Problems" (3 CFR, 1943-1948 Comp., p. 542) provided that each member of the Committee should designate an alternate to act for and in his behalf. Selected to serve on the Board of Alternates were Henry F. Grady, as alternate for the Secretary of State and designated Chairman, and Goldthwaite Dorr and Herbert Gaston, as alternates for the Secretaries of War and Treasury.

to the District would have some relationship to the amount of tax-exempt property—Government property—here; and also are proposing that the lump sum be raised from 6 to 10 million dollars a share. Have you any comment on that, sir?

THE PRESIDENT. I am familiar with the so-called Overton plan. I was on the Appropriations Committee in the Senate when Senator Overton worked out that bill. I don't know anything about the new plan, but the suggestions and the equitable approach to it that the Overton plan followed is a good thing. I was in favor of the Overton plan when it was first suggested.

Q. And what about the boost in the lump sum?

THE PRESIDENT. The Overton plan contemplated the boost in the lump sum.

Reporter: Thank you, Mr. President.

NOTE: President Truman's sixty-ninth news conference was held in his office at the White House at 10:30 a.m. on Friday, June 14, 1946.

137 Letter to the Chairmen, Congressional Committees on Military and Naval Affairs on Unification of the Armed Forces. *June 15, 1946*

My dear _____:

One of the most important problems confronting our country today is the establishment of a definite military policy.

In the solution of this problem, I consider it vital that we have a unified armed force for our national defense.

At my request the Secretary of War and the Secretary of the Navy have made a sincere effort to settle the differences existing between the services on this question. They have made splendid progress.

They have reached an agreement on eight important elements of unification, and with reference to the four upon which there was

not full agreement, their differences are not irreconcilable.

On May 31, 1946 the Secretary of War and the Secretary of the Navy delivered a report to me of the results of their efforts. I have replied to them today stating my position on those points submitted to me for decision.

I enclose herewith a copy of the report of the Secretary of War and the Secretary of the Navy, together with a copy of my reply to them.

You will note that there are now presented twelve basic principles upon which the unification of the services can be based.

They are as follows:

1. *Single military department.*

There should be one Department of National Defense. It would be under the control of a civilian who would be a member of the cabinet. Each of the services would be headed by a civilian with the title of "Secretary." These secretaries would be charged with the internal administration within their own services. They would not be members of the cabinet. Each service would retain its autonomy, subject of course to the authority and overall control by the Secretary of National Defense. It is recognized that the services have different functions and different organizations and for these reasons the integrity of each service should be retained. The civilian secretaries of the services would be members of the Council of Common Defense and in this capacity they would have the further opportunity to represent their respective services to the fullest extent.

2. *Three coordinate services.*

There should be three coordinate services—the Army, Navy and Air Force. The three services should be on a parity and should operate in a common purpose toward overall efficiency of the National Defense under the control and supervision of the Secretary of National Defense. The Secretaries of the three services should be known as Secretary for the Army, Secretary for the Navy, and Secretary for the Air Force.

3. *Aviation.*

The Air Force shall have the responsibility for the development, procurement, maintenance and operation of the military air resources of the United States with the following exceptions, in which responsibility must be vested in the Navy:

(1) Ship, carrier and water-based aircraft

essential to Naval operations, and aircraft of the United States Marine Corps.

(2) Land-type aircraft necessary for essential internal administration and for air transport over routes of sole interest to Naval forces and where the requirements cannot be met by normal air transport facilities.

(3) Land-type aircraft necessary for the training of personnel for the afore-mentioned purposes.

Land-based planes for Naval reconnaissance, anti-submarine Warfare and protection of shipping can and should be manned by Air Force personnel. If the three services are to work as a team there must be close cooperation, with interchange of personnel and special training for specific duties.

Within its proper sphere of operation, Naval Aviation must not be restricted but must be given every opportunity to develop its maximum usefulness.

4. *United States Marine Corps.*

There shall be maintained as a constituent part of the Naval service a balanced Fleet Marine Force including its supporting air component to perform the following functions:

(1) Service with the Fleet in the seizure or defense of Advanced Naval Bases or for the conduct of such limited land operations as are essential to the prosecution of a Naval campaign.

(2) To continue the development of those aspects of amphibious operations which pertain to the tactics, technique, and equipment employed by the landing forces.

(3) To provide detachments and organizations for service on armed vessels of the Navy.

(4) To provide security detachments for protection of Naval property at Naval stations and bases.

5. *Council of National Defense.*

To integrate our foreign and military policies and to enable the military services and other agencies of government to cooperate more effectively in matters involving our national security. The membership of this council should consist of the Secretary of State, the civilian head of the military establishment, the civilian heads of the military services, and the Chairman of the National Security Resources Board, referred to below.

6. *National Security Resources Board.*

To establish, and keep up to date, policies and programs for the maximum use of the Nation's resources in support of our national security. It should operate under the Council and be composed of representatives of the military services and of other appropriate agencies.

7. *The Joint Chiefs of Staff.*

To formulate strategic plans, to assign logistic responsibilities to the services in support thereof, to integrate the military programs, to make recommendations for integration of the military budget, and to provide for the strategic direction of the United States military forces.

8. *No single Military Chief of Staff.*

In the opinion of the War Department, the military establishment should contain a single military Chief of Staff, who would serve as principal military adviser, available to offer advice when differences of opinion arise among the military heads of the several services. The Navy feels that the Joint Chiefs of Staff should be the highest source of military advice. The War Department is willing to omit the feature of a single Chief of Staff.

9. *Central Intelligence Agency.*

To compile, analyze, and evaluate information gathered by various government agencies, including the military, and to fur-

nish such information to the National Defense Council and to other government agencies entitled thereto. It should operate under the Council. An organization along these lines, established by Executive Order, already exists.

10. *Procurement and Supply.*

There should be an agency to prevent wasteful competition in the field of military supply and procurement through joint planning and coordination of procurement, production and distribution.

11. *Research Agencies.*

There should be an agency to coordinate the scientific research and development of the military services.

12. *Military Education and Training.*

There should be an agency to review periodically the several systems of education and training of personnel of the military services and to adjust them into an integrated program.

A plan of unification containing these twelve elements has my unqualified endorsement. The Secretary of War, the Secretary of the Navy, the Chief of Staff of the Army and the Chief of Naval Operations have assured me that they will support such a plan.

It is my hope that the Congress will pass legislation as soon as possible effecting a unification based upon these twelve principles.

Very sincerely yours,

HARRY S. TRUMAN

NOTE: This is the text of identical letters addressed to the Honorable Elbert D. Thomas, Chairman of the Senate Committee on Military Affairs; the Honorable David I. Walsh, Chairman of the Senate Committee on Naval Affairs; the Honorable Andrew J. May, Chairman of the House Committee on Military Affairs; and the Honorable Carl Vinson, Chairman of the House Committee on Naval Affairs.

For the President's letter to the Secretaries of War and Navy upon receiving their joint report of May 31, see Item 138.

138 Letter to the Secretaries of War and Navy on Unification of the Armed Forces. June 15, 1946

Gentlemen:

I have read with care your joint report of May 31, 1946. It was also helpful to me to have the full oral presentation of the points involved, which you and the members of your Departments made to me on June 4th.

I am pleased and gratified at the progress you have made. I feel that we have come a long way in narrowing the zone of disagreement which had previously existed between the services. The full understanding reached on eight vital aspects of unification is a significant accomplishment. These eight elements are Council of Common Defense, National Security Resources Board, Joint Chiefs of Staff, omission of single Military Chief of Staff, Central Intelligence Agency, Procurement and Supply, Research Agencies and Military Education and Training.

In addition to these eight points of agreement, I am advised also by representatives of both services that they are in accord in their attitude toward the provision in the Thomas Bill, S. 2044, which provides for four assistant secretaries in charge of Research, Intelligence, Procurement, and Training, respectively. They believe that such assistant secretaries are unnecessary. I agree with their position that the presence of these four assistant secretaries is undesirable because they would greatly complicate the internal administration of the services and that such a plan would deprive the secretaries of the respective services of functions which are properly theirs.

Your report of May 31st listed four items upon which you were unable to agree. An analysis of your comments contained in your report, and in the lengthy discussion which

we had, discloses that the services are not nearly so far apart in their attitude toward these points as had been reported. It is my firm conviction that the determination of these questions in the manner which I present herein will result in a plan which incorporates the best features offered by the respective services.

With reference to the points upon which full agreement was not reached my position is as follows:

1. *Single military department.*

There should be one Department of National Defense. It would be under the control of a civilian who would be a member of the cabinet. Each of the services would be headed by a civilian with the title of "Secretary." These secretaries would be charged with the internal administration within their own services. They would not be members of the cabinet. Each service would retain its autonomy, subject of course to the authority and overall control by the Secretary of National Defense. It is recognized that the services have different functions and different organizations and for these reasons the integrity of each service should be retained. The civilian secretaries of the services would be members of the Council of Common Defense and in this capacity they would have the further opportunity to represent their respective services to the fullest extent.

2. *Three coordinated services.*

There should be three coordinate services—the Army, Navy and Air Force. The three services should be on a parity and should operate in a common purpose toward overall efficiency of the National Defense under the control and supervision of the Secretary of National Defense. The Secre-

taries of the three services should be known as Secretary for the Army, Secretary for the Navy, and Secretary for the Air Force.

3. *Aviation.*

The Air Force shall have the responsibility for the development, procurement, maintenance and operation of the military air resources of the United States with the following exceptions, in which responsibility must be vested in the Navy:

(1) Ship, carrier and water-based aircraft essential to Naval operations, and aircraft of the United States Marine Corps.

(2) Land-type aircraft necessary for essential internal administration and for air transport over routes of sole interest to Naval forces and where the requirements cannot be met by normal air transport facilities.

(3) Land-type aircraft necessary for the training of personnel for the afore-mentioned purposes.

Land-based planes for Naval reconnaissance, anti-submarine warfare and protection of shipping can and should be manned by Air Force personnel. If the three services are to work as a team there must be close co-operation, with interchange of personnel and special training for specific duties.

Within its proper sphere of operation, Naval Aviation must not be restricted but must be given every opportunity to develop its maximum usefulness.

4. *United States Marine Corps.*

There shall be maintained as a constituent part of the Naval service a balanced Fleet Marine Force including its supporting air component to perform the following functions:

(1) Service with the Fleet in the seizure or defense of Advanced Naval Bases or for the conduct of such limited land operations as are essential to the prosecution of a Naval campaign.

(2) To continue the development of those

aspects of amphibious operations which pertain to the tactics, technique, and equipment employed by the landing forces.

(3) To provide detachments and organizations for service on armed vessels of the Navy.

(4) To provide security detachments for protection of Naval property at Naval stations and bases.

It is important that the basic elements of the plan of unification be stated clearly. The eight fundamental points agreed upon and the four points which are herewith decided, constitute a total of twelve basic principles that should form the framework of the program for integration.

There is no desire or intention to affect adversely the integrity of any of the services. They should perform their separate functions under the unifying direction, authority and control of the Secretary of National Defense. The internal administration of the three services should be preserved in order that the high morale and esprit de corps of each service can be retained.

It was gratifying to have both of you and General Eisenhower and Admiral Nimitz assure me that you would all give your wholehearted support to a plan of unification no matter what the decision would be on those points upon which you did not fully agree. I know that I can count upon all of you for full assistance in obtaining passage in the Congress of a Bill containing the twelve basic elements set forth above.

Very sincerely yours,

HARRY S. TRUMAN

[The Honorable Robert P. Patterson, The Secretary of War; The Honorable James Forrestal, The Secretary of the Navy]

NOTE: The Secretaries' joint report, in the form of a letter dated May 31 and released with the President's reply, is published in the Congressional Record (vol. 92, p. 7425). The report outlines the eight points of agreement between Secretaries Pat-

terson and Forrestal substantially as they are stated in the President's letter to the Committee Chairmen (Item 137). A summary of the positions taken on the four remaining points follows:

1. Single Military Department

War Department view. The military establishment should be set up as a single entity, headed by a civilian of Cabinet rank with authority and responsibility for the several services. The administration and supervision of the services should, however, so far as possible be delegated to their respective heads, in order that each service should have as much freedom of development as possible, and in order that the traditions and prestige of each should not be impaired.

Navy Department view. There was a need for unification, but in a less drastic and extreme form. Serious disadvantages would result from combining the services into one department. Such a step would involve sacrifices of administrative autonomy and service morale. Certain advantages would result from placing a Presidential Deputy with clearly defined powers of decision over specified matters at the head of the Council of Common Defense. From this as a starting point, it would be possible to move forward toward such further measures of unification as became advisable, based on further experience.

2. Three Coordinate Branches

War Department view. The military establishment should contain three coordinate branches—naval, ground, and air—each of which should have a civilian head and a military commander. These officials should have access to the President, but not Cabinet rank, since that would be in derogation of the position of the civilian head of the military establishment.

Navy Department view. The national security required maintenance of the integrity of the Navy Department, headed by a civilian Secretary of Cabinet rank. Naval aviation, together with surface and subsurface components, had been integrated within the Navy, and similar integration by the

Army of its air and ground forces would be in the best interest of national security. However, if the alternatives were three military departments or one, the Navy preferred three departments.

3. Aviation

War Department view. Responsibility for the development, procurement, maintenance, and operation of the military air resources of the United States should be a function of the Air Force, with exception of enumerated responsibilities which should be vested in the Navy.

Navy Department view. One reason for the Navy's strong conviction against a single department was the continued efforts of the Army air forces to restrict and limit naval aviation. To accomplish its fundamental purpose, the Navy needed a certain number of landplanes for naval reconnaissance, anti-submarine warfare, and protection of shipping. Landplanes, to be effective, must be manned by naval personnel trained in naval warfare. The Navy also required air transport essential to its needs.

4. United States Marine Corps

War Department view. There should be maintained as a constituent part of the naval service a balanced Fleet Marine Force including its supporting air component for (1) service with the fleet in the seizure of enemy positions not involving sustained land fighting, and (2) to continue the development of tactics, techniques, and equipment relating to those phases of amphibious warfare which pertain to waterborne aspects of landing operations.

Navy Department view. There should be maintained as a constituent part of the naval service a balanced Fleet Marine Force including its supporting air component for (1) service with the fleet in the seizure or defense of advance naval bases or for the conduct of such limited land operations as are essential to the prosecution of a naval campaign, and (2) to continue the development of those aspects of amphibious operations which pertain to the tactics, techniques, and equipment employed by land forces.

139 Letter to the Director, Bureau of the Budget, Concerning Integration of Federal Medical Services. June 18, 1946

[Released June 18, 1946. Dated June 17, 1946]

Dear Harold:

Enclosed is a copy of a report prepared by my Committee on the Integration of the Medical Services of the Government. Please

distribute the pertinent parts of this report to the appropriate agencies and follow up with them to insure implementation as quickly as possible.

I do not concur in the Committee's recommendation to amend Public Law 346 to provide out-patient care to veterans with non-service connected disabilities, so please do not suggest that to the Veterans Administration. With our present need for full care to veterans with service-connected disabilities, I should not like to over-burden the Veterans Administration home-town care programs. Furthermore, the Committee's proposal would not in the long run accomplish its proposed objective. Finally, Public Law 346 is in itself adequate to assure that veterans with service-connected disabilities receive priority for beds and care.

With respect to the recommendation in Part II of the Report, I concur in the need for a thorough restudy of the direct medical services of the Federal Government. I do not, however, believe that such a study should be undertaken until after the Army-Navy merger issues are resolved. When those issues are resolved and after any basic

organizational changes which might be required have been made, I wish you would see to the appointment of a first-class committee of outstanding medical men to make the study. Please suggest the members of such a committee, and I will appoint them.

When the committee is functioning, I am sure it will need staff assistance. I wish your office would supply all such assistance.

Very sincerely yours,

HARRY S. TRUMAN

[Mr. Harold D. Smith, Director, Bureau of the Budget, Washington, D.C.]

NOTE: The White House also released the text of the report (18 pp. mimeographed) transmitted May 20 by Dr. Harold W. Dodds, President of Princeton University and Chairman of the President's Committee on the Integration of the Medical Services of the Government. The Committee was appointed on December 12, 1945, to make a study of the medical care provided by various governmental services and to make recommendations for improvement in such services and for changes in basic policy.

140 Letter Accepting Resignation of Harold D. Smith as Director
of the Bureau of the Budget. *June 19, 1946*

Dear Harold:

With very deep regret I accept your resignation as Director of the Bureau of the Budget, effective at the close of business today.

My regret, in thus complying with your request for immediate release from your present duties, is tempered by the consideration that you are to assume duties of highest importance as Vice President of the International Bank of Reconstruction and Development.

There is a great work before you in the international field. It is the solemn duty of all members of the United Nations to render wholehearted and loyal support to

that great pioneering adventure in restoring order to a chaotic world—the International Bank of Reconstruction and Development. The experience which you will bring to this new work and the constructive service which you will perform justify the sacrifices which your own Government is making in releasing you.

Yours has been a distinguished career through seven momentous years as head of the Budget. The problems which these troubled years presented were many, diverse and complex. You had the vision to see the national picture as a whole. You had full knowledge of our financial resources. You knew when to be firm in the face of

exorbitant demands on the national treasury. Besides great ability, you brought to the work fidelity, integrity and loyalty.

I know, too, at what great financial sacrifice you have served your Government. That is too often a tragedy of public service. I can only say: well done, and tender you

the thanks of the Nation which you have served with such unselfish devotion.

Very sincerely yours,

HARRY S. TRUMAN

NOTE: Mr. Smith served as Director of the Bureau of the Budget from April 15, 1939, to June 19, 1946. His letter of resignation, dated June 19, was released with the President's reply.

141 The President's News Conference of *June 20, 1946*

THE PRESIDENT. I have no particular announcements to make today, so you might as well start off with your questions.

[1.] Q. Mr. President, do you endorse the suggestion that Mr. La Guardia run for the Senate when Jim Mead declares for the governorship?

THE PRESIDENT. I am not making any endorsements from any States outside Missouri.

Q. Mr. President, following that up, you did not suggest that he do so?

THE PRESIDENT. I have made no suggestions to anyone on political alignments in any State outside the State of Missouri.

Q. Mr. President, what have you suggested for Missouri?

THE PRESIDENT. That is my home State. I have got a right to make suggestions.

Q. I just wondered what the suggestions might have been?

THE PRESIDENT. I have none to make. [*Laughter*]

[2.] Q. Mr. President, do you favor the amendments slapped on by the House Military Affairs Committee, to add military men—one or two—to the atomic committee—

THE PRESIDENT. I will act on that when it comes before me. I don't like to discuss legislation until I know what it's going to be. You see, it still has to act on that.

Q. Your recommendation on that was for an exclusively civilian commission—

THE PRESIDENT. The Senate bill suited me exactly.

[3.] Q. Mr. President, was Mr. Baruch directed to use the Acheson report in stating the United States position—

THE PRESIDENT. Mr. Baruch stated the—Mr. Baruch stated the policy of the United States at the direction of the President.

Q. Do you have any comment, sir, on the Russian proposal for handling atomic energy?

THE PRESIDENT. The Baruch report to the atomic energy committee is—has my endorsement.

Q. Including the provisions that the veto power be retained until some time—

THE PRESIDENT. Including all the provisions which are in it.

[4.] Q. Mr. President, there is one other point about Justice Jackson that never has been cleared up—I don't know whether you can clear it up or not, sir—do you know—you said that he had sent you in substance his statement, and that you had requested him, or suggested that he hold it off until you talked to him. Do you know, sir, whether he received that request of yours?

THE PRESIDENT. Yes. He acknowledged it.

Q. He did receive and acknowledge it?

THE PRESIDENT. Yes.

[5.] Q. Mr. President, have you received from Mr. Forrestal or Admiral Nimitz a letter similar to that from Secretary Patterson, on unification?

THE PRESIDENT. No, but I will. Mr. Forrestal was in to talk to me about it.¹

[6.] Q. Mr. President, with respect to the Baruch report, in your statement that you just made, would you care to answer whether or not your position is adamant—wouldn't subject it to any diplomatic discussion or negotiation?

THE PRESIDENT. I would not like to answer a question like that, because of course there will be negotiation on it, and we may reach an agreement.

Q. I stated it very bluntly. I'm sorry.

THE PRESIDENT. I would rather not discuss it, that phase of it.

Q. Mr. President, when you say the Senate legislation suited you exactly, so far as atomic energy is concerned, is that an affirmation, sir, that you believe the civilian control of atomic energy—

THE PRESIDENT. It certainly is, and I have made that perfectly plain time and again.

[7.] Q. Mr. President, would you care to comment on the report of the subcommittee of the Foreign Affairs Committee of the House, just made public yesterday, in which Mr. Bloom criticizes having been—

THE PRESIDENT. I have no comment. Understand it was an unauthorized release, so I have no comment to make on it.

[8.] Q. Could you tell us about your talk with former President Hoover, Mr. President?

THE PRESIDENT. Discussed the food situa-

tion, and he reported that he had had a very successful trip to South America, and would make a formal report on it, to me, at a later date.

Q. The OPA come up at all, sir?

THE PRESIDENT. It did not.

[9.] Q. Mr. President, would you regard the Grand Mufti, now in Egypt seeking sanctuary in King Farouk's palace—would you regard him as a war criminal?

THE PRESIDENT. I have no comment to make on it, because I don't know enough about it to give you an intelligent answer.

Q. Mr. President, is this Government taking any steps, informative or otherwise, in connection with the movement? ²

THE PRESIDENT. No.

[10.] Q. Mr. President, do you feel that the removal of meat controls on the price of meat would handicap our efforts to meet our pledges abroad in the famine areas?

THE PRESIDENT. I will let you hear about that when I get the OPA bill here on my desk.

Q. Was that one that was discussed between Mr. Hoover and yourself?

THE PRESIDENT. It was not. We discussed only food and its relationship to the world, and South America's contribution to it.

[11.] Q. Mr. President, can you say whether Ed Pauley, who is now coming back to Tokyo, is coming home by way of Moscow?

THE PRESIDENT. He is not coming home by way of Moscow. He will probably go to Germany before he gets home.

[12.] Q. Mr. President, will Governor Tugwell continue to be Governor of Puerto Rico after June 30th?

² Haj Amin el Hussein, the Mufti of Jerusalem and leader of the anti-Zionist Arab forces, had been in exile and under house arrest in France. Because of his pro-Nazi war activities the Mufti was in danger of being tried as a war criminal and had escaped to Egypt.

¹ The letter from Secretary Patterson, dated June 18, and one from Secretary Forrestal, dated June 24, were released by the White House on June 18 and 26, respectively.

THE PRESIDENT. Governor Tugwell has been trying to quit as Governor of Puerto Rico for some time. He has agreed to stay until I can find a successor here.

Q. Have you decided on that successor, sir?

THE PRESIDENT. I have not.

[13.] Q. Mr. President, is General Gregory leaving as War Assets Administrator? There have been two or three stories to that general effect. One of them said that Mr. Nelson was coming back—had been asked to come back.

THE PRESIDENT. General Gregory has been wanting to quit for some time on account of his health, and as soon as I can find a satisfactory successor to him, why he will quit.

Q. Has Mr. Nelson been tendered that position?

THE PRESIDENT. No, he has not.

[14.] Q. Mr. President, did you discuss the future of the Pacific bases with Dr. Evatt this morning?

THE PRESIDENT. Yes. We discussed everything in connection with the Pacific, and he is going to discuss the matter further with the Under Secretary of State.

[15.] Q. Mr. President, will the High Commissioner of the Philippines come before July 4th?

THE PRESIDENT. I beg your pardon?

Q. Will Mr. McNutt come to the United States before July 4th?

THE PRESIDENT. He does not contemplate a return until after the new government has been established; and I have sent the appointment as an Ambassador to the—first Ambassador to the Philippines, to the Senate.

[16.] Q. Mr. President, anything on the perennial twins of Case and Allis-Chalmers? [*Laughter*]

THE PRESIDENT. They are still negotiating, that's all I can say.

Q. That is only as to Allis-Chalmers though, I think, isn't it?

THE PRESIDENT. Yes, that's true.

Q. Mr. President, is it yet possible to set a date when the mines will be turned back to the operators?

THE PRESIDENT. No it isn't, right at this time.

[17.] Q. Mr. President, on the question of the Pacific bases, did you come to any general understanding with Mr.—

THE PRESIDENT. No, no. Mr. Evatt discussed them. I didn't. He is going to discuss the matter further with the State Department. That is as far as it went. There were some statements on it which I am not at liberty to quote.

[18.] Q. Mr. President, have there been any further, or concrete developments on the implementation of getting the hundred thousand Jews into Palestine?

THE PRESIDENT. No. We sent a commission to England to discuss that matter with the British Government.

Q. I wondered if there had been any—

THE PRESIDENT. I have no comment to make at the present time.

[19.] Q. Do you have any report of progress, or lack of progress, sir, on the foreign ministers meeting in Paris?

THE PRESIDENT. No. Only what I see in the papers.

Q. Have you been in touch with the Secretary?

THE PRESIDENT. Every day. I hear from him every day.

Q. Is that by telephone or telegraph?

THE PRESIDENT. By telegraph.

[20.] Q. Mr. President, do you have any definite vacation plans this summer?

THE PRESIDENT. No, I haven't. I wish I could make some, but I can't.

Reporter: Thank you, Mr. President.

NOTE: President Truman's seventieth news conference was held in his office at the White House at 4 p.m. on Thursday, June 20, 1946.

142 Statement by the President Upon Appointing the Committee for Financing Foreign Trade. *June 26, 1946*

I HAVE APPOINTED a committee of industrialists and bankers to make a report and recommendation on the financing of international reconstruction. They will work closely with the National Advisory Council, which has the duty of formulating our national policy on foreign lending.

I have appointed this committee of citizens of knowledge and experience because our foreign trade, export and import, must in the long run be privately handled and privately financed if it is to serve well this country and world economy.

It is true that for the immediate present governmental help is needed in order to get our foreign trade under way. But I am anxious that there shall be the fullest co-operation between the governmental agencies and private industry and finance. Our common aim is the return of our foreign commerce and investments to private channels as soon as possible.

The committee which I have appointed is as follows: Mr. Herbert H. Pease, President, New Britain Machine Co., New Britain, Conn.; Mr. Champ Carry, President, Pullman-Standard Car Manufacturing Corp., Chicago, Ill.; Mr. Walter J. Cummings, Chairman, Continental-Illinois National

Bank and Trust Co., Chicago, Ill.; Mr. L. M. Giannini, President, Bank of America, San Francisco, Calif.; Mr. Paul G. Hoffman, President, Studebaker Corp., South Bend, Ind.; Mr. Edward Hopkinson, Jr., Partner, Drexel and Co., Philadelphia, Pa.; Mr. Fowler McCormick, Chairman, International Harvester Co., Chicago, Ill.; Mr. Irving S. Olds, Chairman, U.S. Steel Corp., New York, N.Y.; Mr. Gordon S. Rentschler, Chairman, National City Bank of New York, New York, N.Y.; Mr. A. W. Robertson, Chairman, Westinghouse Electric Corp., Pittsburgh, Pa.; Mr. Winthrop W. Aldrich, Chairman, The Chase National Bank of the City of New York, New York, N.Y.; Mr. Tom K. Smith, President, The Boatmen's National Bank of St. Louis, St. Louis, Mo.

NOTE: A statement by the Chairman, Winthrop W. Aldrich, concerning the functions of the Committee, was released by the White House on July 9. Mr. Aldrich reported that the President, in his letter appointing the Committee, stated that it was of vital importance to the country and to the stabilization of the international economy to tie in the national productive capacity with the world's reconstruction requirements as rapidly as possible, and that the conduct and financing of U.S. foreign trade should be handled by private industry with the cooperation and assistance of the proper Government agencies.

143 The President's News Conference of *June 27, 1946*

THE PRESIDENT. [1.] First I want to announce that Captain Clifford has been made Special Counsel to the President. He has

been acting in that capacity nearly all the time since Judge Rosenman left; and Captain James H. Foskett, U.S. Navy, will be

the new Naval Aide to the President. There are mimeographed sheets telling all about both of these gentlemen that you can have when you go out.

[2.] The Office of War Mobilization and Reconversion prepared a statement on the food record which we have made, that is rather impressive. We have shipped, in 6 months, over five and a half million tons of bread grains to help feed the hungry people in other lands. In another 3 weeks we shall have met our half-year goal of six million tons.

But the crisis is not over yet, and will not be over when we reach our half-year goal. Cooperation and determined effort by the public—by each one of us—must be continued during the coming 6 months of hunger ahead.

Soon after July 1st, I will receive from the Secretary of Agriculture final figures not only on food grains but on the entire contribution of the United States toward meeting the world food needs during the last full year.

We have made a real record on that, and are continuing to make it, so if we have had to do without a little bread here and there, we can feel assured that we have kept people from starving by doing that.

This full report of Mr. Snyder is the last one he made before he left. It will be available for you in mimeographed form, and covers the whole program of what has happened in regard to the food situation.¹

That's all the announcements I have to make.

[3.] Q. Mr. President, have you any ideas on whether UNRRA relief to Russia contained provisions about publicity?

THE PRESIDENT. I suggest that you take

¹ See Item 144.

that up with the State Department. They are handling it.

[4.] Q. Mr. President, last week you said that Governor Tugwell would stay in Puerto Rico. He has arrived in town, and says he plans to quit Sunday. Any comment?

THE PRESIDENT. I didn't know he was here. I haven't seen him yet. I will talk to him first.

[5.] Q. Mr. President, are you going to seize the Allis-Chalmers—

THE PRESIDENT. We have had it under consideration, but we haven't decided yet to seize it. I think probably it can be settled without a seizure. I hope so.

[6.] Q. Mr. President, do you intend to go on the air, sir, in connection with your approval or rejection of the OPA legislation?

THE PRESIDENT. I will have to make that decision when I get the bill. It is unfortunate it has been so long in reaching me.

[7.] Q. Have you received any more Macedonian cries from Senator Tobey, sir? [Laughter]

THE PRESIDENT. Probably won't.

Q. Any comment on his statement and letter yesterday? ²

THE PRESIDENT. The letter speaks for itself.

Q. Did you consider the letter confidential, Mr. President?

THE PRESIDENT. I used to consider Presidential letters confidential. I don't any more. [Laughter]

Q. You haven't any comment, Mr. President, on his comment?

² Senator Tobey's remarks in the Senate on June 26, including letters exchanged with the President, are printed in the Congressional Record (vol. 92, p. 7559). Senator Tobey's letter, which begins with the words "This is a Macedonian cry" is an appeal for grain for the poultry of New Hampshire.

THE PRESIDENT. No comment. The letter speaks for itself.

[8.] Q. Mr. President, do you expect Mr. Bowles to remain in office after the OPA bill?

THE PRESIDENT. Well, I hope he will. Mr. Bowles has been trying to quit ever since he came here. The first thing he did was to send me a letter of resignation, and come in and say that he wanted to quit. He has been anxious to return to Connecticut, but I have held him on and on. Maybe I can succeed in keeping him further.

[9.] Q. Mr. President, the President of Chile¹ died last night. I was wondering have you any comment to make?

THE PRESIDENT. Of course I am very sorry to hear it, and we are sending the proper condolences.

He was a very fine gentleman. He spent a night with me in the White House, and we thought very highly of him.

[10.] Q. Mr. President, Senator McKellar has not taken any action on this economic board set up under the full employment bill. Some people seem to think that he is holding off in an attempt to make sure that you make some pretty conservative appointments to this full employment board. Have you any comment on any such supposition?

THE PRESIDENT. You had better talk to Senator McKellar about that. I can't read Senator McKellar's mind. You want me to read Senator McKellar's mind? I can't do that.

Q. When will you have your own appointments?

THE PRESIDENT. I have been trying to get them ever since the bill came up to me. It has been a difficult matter to get them to accept the position.²

¹ Juan Antonio Rios.

² For appointments to the board (Council of Economic Advisers) see Items 177 [2] and 183.

Q. Mr. President, you have repeatedly touched on that one point—in fragments—about it being difficult to get men, and about good men leaving. I wonder if there is something you would care to say in amplification of that—

THE PRESIDENT. No.

Q. —how many men have you tried to get into the Government, and how many have turned it down?

THE PRESIDENT. I haven't kept track of—

Q. Dozens or scores?

THE PRESIDENT. Yes, it would run into 20 or 30.

Q. What is the reason?

THE PRESIDENT. Most of them are making so much money they didn't like to work for the Government at the pecuniary salaries of Government people, and patriotism does not appeal in peacetime as it does in war.

Q. I was just wondering if George W. Taylor, former War Labor Board head, has been considered for full employment—

THE PRESIDENT. Yes, he was asked to take a place on it, and he can't leave.

Q. He can't?

Q. How about Mr. Parten, has he been offered the job?

THE PRESIDENT. Who?

Q. Mr. Parten of Houston, Tex.?

THE PRESIDENT. Yes, he was offered the job. He is making so much money he can't afford to come back with the Government.

[11.] Q. Mr. President, when will the McKeever report be available; that is, the Director of Liquidation—

THE PRESIDENT. I haven't received the report from him. When it has gone the rounds, I suppose I will receive one. It will be available as soon as his job terminates, which is the 1st of July.

[12.] Q. Mr. President, what do you think of the manner in which Russia used

her veto power in the United Nations recently?

THE PRESIDENT. I have no comment on that.

[13.] Q. Mr. President, is there any report of progress from London on the Palestine matter?

THE PRESIDENT. No.

[14.] Q. Mr. President, is the appointment of Budget Director in sight, sir?

THE PRESIDENT. No it isn't, at the present time.

Q. It was reported yesterday that the job had been offered to Gael Sullivan. Any comment on that, sir?

THE PRESIDENT. No comment.

[15.] Q. Mr. President, can you give us any background on the orders which sent the American cruiser *Fargo* to Trieste?

THE PRESIDENT. No I can't. I have no comment to make on that.

[16.] Q. Have you decided what you are going to do on the Hobbs bill?

THE PRESIDENT. The Hobbs bill is not before me yet, Duke.¹ When it comes up here, I will make up my mind. It's now

¹Duke Shoop of the Kansas City Star.

going the rounds of the various departments for the usual comments that they have to make before the bill comes before me.

[17.] Q. Have you talked to Secretary Byrnes this morning on the Paris conference?

THE PRESIDENT. Yes I have.

Q. Is there anything you could say for—

THE PRESIDENT. Not a thing.

[18.] Q. Mr. President, is there any possibility you will go to San Francisco for the Shrine meeting out there?

THE PRESIDENT. I can't go.

Q. Can't go?

THE PRESIDENT. I can't go. Much to my regret. I would like to go.

Q. Are you going anywhere, any time soon, Mr. President?

THE PRESIDENT. No, I am not. [Laughter] There isn't a chance of my going anywhere, any time soon—[more laughter]—I am sorry to say.

Reporter: Well, thank you, Mr. President.

THE PRESIDENT. All right.

NOTE: President Truman's seventy-first news conference was held in his office at the White House at 10:30 a.m. on Thursday, June 27, 1946.

144 Statement by the President on Making Public a Progress Report on Famine Relief. June 27, 1946

THE IMPRESSIVE RECORD made by the United States in shipping food grains abroad for famine relief is shown in a report I have just received from John W. Snyder, former Director of War Mobilization and Reconversion and now Secretary of the Treasury.

In six months, this country has shipped over five and a half million tons of bread grains to help feed the hungry people of other lands. In another three weeks, we shall have met our half-year goal of six million tons.

The very fact that housewives today often find it hard to buy a loaf of bread is evidence of the success of our famine emergency program. The loaf of bread and the bag of flour that they don't buy mean that much more for hungry children abroad.

The good record we have made is due to the splendid cooperation of Americans in conserving bread at home and in public eating places, the remarkable production by American farmers, the unstinting coopera-

tion of millers and bakers, and the united efforts of the Famine Emergency Committee and the various agencies of our Government.

But the crisis is not over. It will not be over when we reach our half-year goal. Cooperation and determined effort by the public—by each one of us—must be continued during the coming months of hunger abroad.

Soon after July 1, I will receive from the

Secretary of Agriculture final figures not only on food grains but on the entire contribution of the United States toward meeting world food needs during the last full year.

NOTE: Mr. Snyder's report (3 pp., mimeographed), dated June 26, was released with the President's statement.

For the President's statement upon receiving Secretary Anderson's report on famine relief shipments, see Item 165.

145 Letter to the Director, Bureau of the Budget, Concerning Termination of the Office of the Director of Liquidation. June 28, 1946

[Released June 28, 1946. Dated June 27, 1946]

Dear Mr. Appleby:

I have today signed an executive order terminating effective June 30, 1946, the Director of Liquidation created pursuant to Executive Order No. 9674 of January 4, 1946.

The primary function of the Director of Liquidation, that of assisting the emergency war agencies in developing suitable plans for the winding up or retrenchment of their affairs, has been substantially accomplished. There are, however, many problems which will arise when the emergency agencies now in existence are terminated.

In terminating the Director of Liquidation I am asking that you assume under your general authority in the field of management, the responsibilities formerly vested in the Director.

The problems anent personnel, property and records will, I believe, present the most

perplexing issues in liquidation. In dealing with the agencies, I feel you should concentrate much of your effort in these fields.

For your information there is attached a copy of the report of the Director of Liquidation which he recently submitted to me.

Very sincerely yours,

HARRY S. TRUMAN

[Honorable Paul H. Appleby, Acting Director, Bureau of the Budget, Washington, D.C.]

NOTE: The Director of Liquidation was terminated by Executive Order 9744 (3 CFR, 1943-1948 Comp., p. 550).

The White House also released the text of the report (7 pp. mimeographed) transmitted June 18 by R. L. McKeever, Director of Liquidation. The report listed 116 agencies which were no longer in existence or which were in the process of being liquidated, and further stated that from June 30, 1945, to April 30, 1946, the number of emergency war agencies had been reduced from 22 to 12, and that the number in paid employment had decreased from 161,958 to 58,451.

146 Letter to the President, Civil Service Commission, Concerning
Employees of Liquidated Agencies. *June 28, 1946*

[Released June 28, 1946. Dated June 27, 1946]

Dear Mr. Mitchell:

I have today signed an executive order terminating effective June 30, 1946, the Director of Liquidation established pursuant to Executive Order No. 9674 of January 4, 1946.

I am hopeful that during the next fiscal year the problems now facing us will be resolved and that many of the emergency war agencies can be liquidated.

As these agencies are terminated, many thousands of employees will be released. Among these employees are some of the most capable people in the Federal service. It is my desire that the Civil Service Commission

and the Liaison Officer for Personnel Management continue their efforts to retain in the Federal service as many of these people as possible by assisting them to secure employment in other Federal agencies.

Also, I desire you to continue your efforts designed to ameliorate the impact of liquidation upon the employees of liquidating or reducing agencies.

Very sincerely yours,

HARRY S. TRUMAN

[Honorable Harry B. Mitchell, President, U.S. Civil Service Commission, Washington 25, D.C.]

NOTE: See note to Item 145.

147 Letter Commending the Federal Communications
Commission. *June 28, 1946*

[Released June 28, 1946. Dated June 17, 1946]

My dear Mr. Denny:

The Director of the Budget has called to my attention the noteworthy steps being taken by the Federal Communications Commission in order to cope with its greatly increased workload. The Commission is to be commended for its decision to scrutinize its procedures in an effort to give the public the best service, without delay and at a minimum cost. Only by each of us concentrating upon performing our part of the

task most efficiently can the goal of maximum efficiency and minimum cost be attained for the whole Federal Government.

I congratulate the Commissioners and the employees upon the accomplishments made thus far, and I wish the Commission every success in carrying out its program.

Sincerely yours,

HARRY S. TRUMAN

[Mr. Charles R. Denny, Acting Chairman, Federal Communications Commission, Washington, D.C.]

148 Letter Accepting Resignation of Chester Bowles as Director
of Economic Stabilization. June 28, 1946

Dear Chet:

Now that the Senate has taken the legislative action which you forecast in your letter of this date I have no alternative but to accept your resignation as Director of the Office of Economic Stabilization, effective at the close of business on July tenth next.

Deeply as I regret to see you leave the Administration I can sympathize heartily with the reasons which impel you to this step. I accede to your request most reluctantly. I am mindful of your desire to leave Washington, often expressed since V-E Day, and appreciate your self-sacrifice in remaining at your difficult post as long as you did.

Your action in submitting your resignation before the Senate had acted is an emphatic answer to the fantastic charge of spokesmen for selfish interests that you sought extension of the Price Control Bill in order to perpetuate yourself in office.

In expressing my deep regret at your leaving the Government, I know that I am merely adding my voice to one much greater—the voice of the American people. The people of this country know how conscientiously and faithfully you have worked to protect their interests both during the war and during the transition from war to peace.

They know that under your leadership, the Office of Price Administration and the Office of Economic Stabilization have been a powerful bulwark against the forces in

our economy which might long since have destroyed the security and the hopes of millions of workers and their families. They know your personal fearlessness and integrity, which time and again you demonstrated in speaking out vigorously for the basic principles of this Administration.

In accepting your resignation I want to assure you, and at the same time every American, that this Administration will never give up the fight. We shall continue the battle against inflation with every weapon at our disposal, and shall not rest until this country has reached permanent high levels of production, prosperity and employment.

The hope that you may remain in public life as a champion of the principles of this Administration, and the assurance that I may continue to call upon you from time to time for counsel, will be some consolation for the loss of so tireless and effective a public servant as you have been over a period of more than three difficult years.

With every good wish.

Very sincerely yours,

HARRY S. TRUMAN

[Honorable Chester Bowles, Director, Office of Economic Stabilization, Washington, D.C.]

NOTE: Mr. Bowles served as Administrator of the Office of Price Administration from November 5, 1943, until February 25, 1946, and then as Director of Economic Stabilization through July 10. His letter of resignation was released with the President's reply.

149 Joint Statement With the Prime Ministers of Great Britain and Canada Announcing Creation of the International Emergency Food Council. *June 29, 1946*

THE PRESIDENT of the United States and the Prime Ministers of Great Britain and Canada issued the following statement today:

We announced on May 9, 1946 plans to continue the Combined Food Board until December 31, 1946 because of the deterioration that had occurred in the world food situation in recent months, and the need to control the distribution of many foods with a view to preventing widespread suffering and starvation.

Subsequent to this announcement, a Special Meeting on Urgent Food Problems was convened in Washington by the Food and Agriculture Organization of the United Nations on May 20. As a result of discussions at this meeting, certain recommendations with respect to the formation of an International Emergency Food Council were approved and submitted to the governments concerned.

It was a part of these recommendations

that the governments of the United Kingdom, United States and Canada should arrange without delay for the Combined Food Board to call a meeting. This meeting was held on June 20, 1946, and was attended officially by representatives of nineteen countries who, on behalf of their governments, formally accepted the terms of reference of the International Emergency Food Council.

Accordingly, the International Emergency Food Council was established forthwith, and held its inaugural session on June 20. This organization will continue the work of the Combined Food Board which is hereby declared to be terminated as of July 1, 1946. The functions of the Combined Food Board, together with all its documents and records, will be transferred to the International Emergency Food Council on July 1, 1946.

NOTE: The statement was released simultaneously in Washington, London, and Ottawa at 10 a.m., Washington time.

150 Veto of Bill Providing for Exchanges of Property Within Glacier National Park. *June 29, 1946*

[Released June 29, 1946. Dated June 28, 1946]

To the United States Senate:

I return herewith without my approval the bill (S. 1273) to provide for the acquisition by exchange of non-Federal property within the Glacier National Park.

The bill authorizes the Secretary of the Interior to accept title to any non-Federal property within the boundaries of the Glacier National Park when the acquisition by exchange of such property would in his

judgment be in the best interest of the United States. In exchange for the non-Federal property so to be acquired the Secretary of the Interior is authorized to convey to the grantors of such property, or to their nominees, any federally owned property within the Glacier National Park which is of approximate equal value to the property being acquired.

I am in accord with the general purposes

and objectives of the measure. Section 2 of the bill, however, provides that title to all lands, interests in lands, buildings or other property acquired pursuant to the act shall be satisfactory to the Secretary of the Interior. This provision is highly objectionable and represents a material change in existing law involving an unwarranted deviation from the long-established and manifestly sound practice under which the Attorney General is charged with the duty of examining the validity of titles to lands acquired by the government. This duty has for more than a century been vested in the Attorney General with respect to the vast majority of acquisitions and I perceive no reason to change this general practice which has proven so satis-

factory through the years.

An advantage of this long standing policy has been that the agency of the government acquiring the land has the independent checking of the title by a disinterested agency. Moreover, there can be no question that the maintenance in the different departments of the government of large staffs of attorneys for the purpose of examining title to land will result in duplication, additional expense, as well as less efficient administration. It is to avoid duplication of this character that the Congress passed and I approved the Reorganization Act of 1945.

For these reasons, I am constrained to withhold my approval from the bill.

HARRY S. TRUMAN

151 Veto of Bill Relating to Claims Against the United States by Certain Indian Tribes. June 29, 1946

[Released June 29, 1946. Dated June 28, 1946]

To the House of Representatives:

I return herewith, without my approval the bill (H.R. 2678) "conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate and render judgment in any and all claims which the Confederated Salish and Kootenai Tribes of Indians of the Flathead Reservation in Montana, or any tribe or band thereof, may have against the United States, and for other purposes."

This bill proposes to confer jurisdiction upon the Court of Claims to adjudicate any and all legal and equitable claims which the Confederated Salish (or Flathead) and Kootenai Tribes of Indians of the Flathead Reservation in Montana may have against the United States including any claims arising under the treaty of July 16, 1855 (12 Stat. 975), or any subsequent treaty, agreement, Act of Congress or Executive Order.

The jurisdiction thus to be conferred, it is provided, would extend to claims arising by reason of any lands taken from these Indians, including lands lost by erroneous surveys, or lands opened to settlement, lands used for dam, power, and reservoir sites or irrigation projects, or lands lost by submergence, resulting from the erection of reservoirs, without compensation and without the consent of the Indians given in the usual manner. The bill declares that any taking of the lands of the Indians by the United States, without compensation and without their consent, or the reservation thereof for any of the above purposes to be sufficient grounds for suitable relief and the court would be required to award the Indians just compensation for such lands as for a taking under the power of eminent domain.

In addition to other objectionable features

of the bill, an attempt is made in its provisions to define the "grounds for equitable relief" and the basis upon which the court shall render judgment in favor of the Indians and award to them just compensation "as for a taking under the power of eminent domain." It is possible that under the provisions of the bill the use by the United States of any lands "formerly . . . possessed" by the Indians even though the Indians were without any recognized title would constitute a sufficient basis "for equitable relief" and "for a taking under the power of eminent domain." Thus the bill does not merely waive the statute of limitations and laches, and provide a forum for

the adjudication of any pre-existing claims which the Indians may have against the United States, but it seeks to create liability against the Government which would not otherwise exist. Moreover, by providing for the payment of just compensation, the bill would probably require the Government to pay interest, for a period of more than 30 years, on a claim that did not even exist prior to its passage. Neither on legal nor moral grounds would there seem to be any justification for legislation of this kind.

For these reasons, I am constrained to withhold my approval from the bill.

HARRY S. TRUMAN

152 Veto of the Price Control Bill.

June 29, 1946

To the House of Representatives:

I am returning without my approval H.R. 6042 amending the price control laws and extending them for another year.

The choice which H.R. 6042 presents is not a choice between continued price stability and inflation. It is a choice between inflation with a statute and inflation without one. The bill continues the Government's responsibility to stabilize the economy and at the same time it destroys the Government's power to do so.

If this bill were allowed to become law, the American people would believe that they were protected by a workable price control law. But they would not be protected and they would soon come to a bitter realization of that truth. It is only fair to tell them the facts now.

The lesson from our own experience after the last war, disastrous as it was to our farmers, our workers, our manufacturers,

our distributors, and our consumers, has been too easily obscured by the annoyances and irritations and the occasional inequities of price control. The fact that inflation has already gutted the economy of country after country all over the world should shake our comfortable assurance that such a catastrophe cannot happen here.

For five years we have proved that inflation can be prevented. It still can be prevented if we have the will to prevent it. Today the opportunity of completing the transition from war to peace with an economy which is stable, sound and secure is within our grasp.

To avoid sacrificing this opportunity requires courage, wisdom and self-restraint. This winter and spring the tensions have been more acute than ever before. We are all weary and impatient of Government restrictions and controls. We are all eager for the day when we can pursue our own

affairs in our own way. In such a mood there is the natural temptation to remove essential safeguards, prematurely.

This bill yields to that temptation. It would provide us with no real safeguards at all. It would start prices and costs climbing and keep them climbing. It would start the value of the dollar falling and keep it falling. Far from helping production it would retard it. In the end this bill would lead to disaster.

I shall not attempt to comment on all the bill's provisions. Some of them are entirely appropriate. Many others reflect minor concessions to special interest groups of the sort which the Congress has heretofore resisted. To these latter provisions I object on grounds of principle. But in the last days before the expiration of legislation so vital to the Nation's welfare I should not regard these concessions as a basis for withholding my approval from an extension bill.

My fundamental objection to the bill is to the numerous amendments which would raise the price of essential cost-of-living commodities. Of those by far the most damaging is the price raising amendment for manufacturers introduced by Senator Taft, (Section 11), operating in conjunction with the revised price raising amendment for distributors introduced by Senator Wherry (Section 10, Par. (t)), and with the special cost-plus amendments for automobile and appliance dealers first offered to the House Committee on Banking and Currency by Representative Crawford (Section 10, Par. (q) and (r)).

The mainspring of this combination is Senator Taft's amendment. It is that amendment which would compel thousands of needless price increases amounting to many billions of dollars. The Wherry and Crawford amendments simply make sure that before the Taft amendment price in-

creases for the manufacturers reach the consumer, they will be pyramided by generous wholesalers' and retailers' markups.

The provisions of the Taft amendment are complex but they wear a superficial reasonableness. I am sure, however, that Congress adopted this amendment without full appreciation of its consequences.

I wish it were possible to tell you exactly how many billions of dollars the American people would eventually have to pay for the Taft Amendment and its companion pieces. To attempt to do so, however, would be like trying to estimate the cost of a fire about to sweep a city before the first building had started to burn. Even to estimate the total amount of all the first round of price increases is not now possible.

Here, however, are a few examples which would enter into such a total.

The first impact of the Taft and Wherry Amendments in the crucial field of housing would be little short of devastating. The prices of nearly all building materials would be affected. The average increase of such materials, excluding lumber, would be approximately 20 per cent. This would completely disrupt the program recently approved by the Congress to provide veterans' housing at reasonable cost.

Ceilings for steel would have to be raised an average of \$4 to \$8 a ton. These increases would in turn be reflected in the ceilings of everything made of steel.

The average price of low-priced automobiles would be increased \$225 to \$250, on top of the substantial increases already granted.

Household appliances such as washing machines and refrigerators would increase from 25 to 30 per cent. Floor coverings would go up about 17 per cent; plumbing supplies, about 16 per cent; farm machinery, about 13 per cent.

The prices of clothing—already too high—would be increased by an estimated average of 15 per cent—more than half of which would be attributable to the Taft and Wherry Amendments and the balance to other amendments. This by itself would add about three billion dollars a year to the living expenses of American families.

These are only preliminary estimates of a few of the initial price increases. They do not take into account the further increases, for example, on automobiles, after steel, tires, safety glass, and other materials and parts have received their own increases.

The bill would cause some major increases in foods immediately. It would curtail subsidy payments so that the prices of certain foods would have to go up. Other foods would get immediate increases under the Taft Amendment but these would go to processors rather than to farmers. Like the wage earner, the white collar worker, and the millions of old people and others who must live on fixed incomes, the farmer is a victim of this bill.

This, however, does not mean that the country would get any real protection, for long, in what it costs to eat. The same thing is true of rents. The bill does not direct any immediate increases in rents at all. But this does not mean that rents could be effectively controlled.

If I thought that this bill would make possible some genuine protection against soaring food prices and rents, I should hesitate long before disapproving it—despite the total impossibility of stabilizing the prices of other essential commodities. Our economy, however, cannot be half-stabilized. We cannot quarantine inflation. Higher prices for the things that farmers and landlords buy would inevitably force up farm prices and rents. In the case of farm prices, this is required by

the parity provisions of the law. In the case of both farm prices and rents, general increases would be forced upon us by simple justice and the hard facts of business and economics.

This bill, therefore, gives only the delusion of protection against rising costs of food and shelter. It would delay their rise a little. But the delay would be long enough only to cause unnecessary hardship for farmers and landlords—not long enough to bring real benefits to consumers and tenants.

The spectacular increases in the prices of manufactured goods which the Taft Amendment and its companion amendments would cause, right at the beginning, are far in excess of anything which industry needs to earn generous profits and obtain full production. The increases are so large because the formulas for computing them are bonanza formulas.

The Taft Amendment puts into prices the profit per unit of sales which the industry received for the particular product in the year 1941. That was a year in which manufacturers and processors received a much greater profit out of each dollar of sales than in any one of the five peacetime years which preceded 1941 and more than in any one of the following five wartime years. Indeed, 1941 profit margins were half again as great as in the banner year of 1929. Today, however, the volume of sales is greater than that of 1941 and it is going to increase steadily if inflation does not stop it. Thus, at the very time when we should be getting the benefit of high volume in the form of lower prices, the Taft Amendment would inflate prices.

In the case of products like automobiles, washing machines and refrigerators which are just returning to the market, the Taft Amendment produces especially unreasonable prices. This is because the Amend-

ment adds to prices all the abnormally high costs arising from temporarily low volume and change-over conditions.

The Wherry Amendment gives a final boost to prices by requiring the pyramiding of manufacturer's increases at the wholesale and retail levels.

Of course profits ample to provide the incentive for full production are what makes the American free enterprise system work. Prices must not be inflexibly held. Increases have been granted and more will have to be granted to remove impediments to production. The Taft Amendment, however, in the name of stimulating production, promises peak profits on every product even where production is already going at full blast and profits are eminently satisfactory. As industry after industry accepts the invitation of the Taft Amendment in an attempt to make good profits better, prices will go up and up.

In addition, the industries in real need of relief will tend to be lost in the shuffle. The OPA, already criticized for delay in these deserving cases, will be increasingly unable to act promptly to break production bottlenecks.

There is a grim irony in the fact that the Taft Amendment is defended as a stimulant to production when in fact it will greatly impede production.

The evidence is readily at hand. For weeks we have seen meat and other commodities withheld from the market in anticipation of higher prices. The simple fact is that the average business man or farmer who knows that his price will soon be higher will not sell any more goods this week than he has to—be they suits or sewing machines or cattle.

The manufacturer with a price increase pending would naturally slow down de-

liveries as much as his working capital and his storage facilities would permit. At the same time the knowledge that his suppliers had their own increases pending would lead him to do all he could to build up his inventories. But his suppliers would also slow down deliveries for the very same reason. As essential materials and parts were withheld from the market, production lines would gradually grind to a halt. Workers would pay their toll to this amendment in loss of employment. Consumers would pay theirs in lack of goods.

These cases would develop, not by hundreds but by thousands. As fast as price increases were granted, they would raise the costs of purchasing industries and form a basis for additional increases. Each one would bring its new slow-downs and new bottlenecks. It is plain to see why the enactment of the Taft Amendment as an aid to production would be a sorry jest. Production requires a reasonable stability in costs, a continuing flow of goods and a readiness to buy and sell. The Taft Amendment would result in erratic price and cost movements, a feverish effort to buy and a calculated reluctance to sell.

The Taft Amendment would wholly destroy the program of wage stabilization which has been so painstakingly, and at times painfully, developed during the months since V-J Day.

The Wage Stabilization Board has contributed greatly to that development. The representatives of industry, labor, and the public who compose it have brought what threatened for a time to become a runaway wage movement into a fair and orderly procedure with which virtually all unions and managements have cooperated. This nation still needs the continuing services of the Wage Stabilization Board.

I wonder, therefore, if the Congress realized when it voted for the Taft Amendment that it was voting to destroy the present wage stabilization program and the usefulness of the Wage Stabilization Board. Under the existing program the Board has the task of determining the limit of wage increases which an employer can use as the basis for price increases. Its determinations of these limits have played a vital role in bringing about innumerable wage settlements. The Taft Amendment, however, provides that, "in determining costs for the purposes of this section, all costs shall be included." The Office of Price Administration advises me that under this provision it would be required to recognize all wage increases, as a basis for price increases, even if the Board had not approved them and regardless of their amount.

This is the beginning of an inevitable spiral of uncontrolled inflation—a race between rising wages and rising prices. Farsighted leaders of both labor and management know that nothing can be gained—and everything lost—by simply letting prices and wages chase each other.

Yesterday I received a letter from the National Wage Stabilization Board, which Board represents industry, labor and the public. The Board advises that it believes that uncontrolled inflation will result from this bill. Furthermore the Board states, "It is our unanimous judgment that the proposed legislation presents no possibility of wage stabilization or of the achievement of the balance between wages and prices which is essential to economic stability."

This bill provides a sure formula for inflation:

1. A first round of sharp and widespread price increases;
2. Production slowdowns due to price uncertainties;

3. Renewed demands for further wage increases due to higher living costs;

4. Higher production costs due to production slowdowns and stoppages and to higher labor costs;

5. A cost-plus pricing amendment which requires higher production costs to be translated immediately into higher prices.

And all this at a time when the supply of goods is still far below the record demand.

The formula would lead to disaster even if it could be assumed that price control could be administered in an orderly fashion, and that the Office of Price Administration would be able to build up a staff adequate to its new burdens. The fact is, however, that these assumptions are unreal. The OPA could not discharge the responsibilities, which the Taft Amendment and the other price-raising amendments would thrust upon it—either with its present staff or with any staff that it might conceivably recruit.

Moreover enforcement and compliance with price regulations are dependent on the general stability of prices over considerable periods of time. Once prices were set in continuous upward motion compliance would deteriorate rapidly. Little hope could be held out for compliance with ceiling prices fixed under the Taft Amendment.

The reason for this is that the ceiling price of each individual manufacturer would depend upon the price which that particular manufacturer charged in the base period—usually October 1-15, 1941. To this base period price each manufacturer would be entitled to add a uniform increase factor representing cost increases incurred by the industry generally since that time.

Under this system, obviously, every manufacturer who had a different price in the base period would have a different ceiling price now. Uniform ceiling prices would become impossible, except in those indus-

tries which charged uniform prices in the base period. Thus, most of OPA's dollars-and-cents regulations, which are the most readily enforceable kind, would be wiped out.

Proof of any ceiling price violation would require proof of the price which the particular manufacturer charged during a 2 week period 5 years ago. Every enforcement proceeding would thus become a time consuming and often futile historical investigation.

In these circumstances, the formal structure of price and rent control which the bill retains would be wholly ineffectual to stem the tide of inflation which it would set in motion. Unable to cope with the deluge of industry demands for higher ceilings under the new pricing formulas, and increasingly aware of the futility of its task, OPA's administrative staff would disintegrate. After irreplaceable losses from its ranks had reached a certain point, the consequence would not be more administrative delay; it would be complete collapse.

In the face of these alarming consequences to the country if the present bill should become law, I urge the Congress with all the earnestness at my command to reconsider the whole problem of stabilization.

In that reconsideration, let us see just where we stand today. Under the existing stabilization laws, production has recovered remarkably from the shock of war's end. Output of civilian goods already surpasses the 1941 level and employment exceeds that level by six million. This record has been achieved in spite of shortages of critical materials and parts and in spite of extended work stoppages in basic industries. The major labor-management disputes are settled, and we are moving rapidly toward the realization of our post-war objectives of full pro-

duction and full employment in a sound economy.

There still are shortages, but they will be progressively wiped out in the months ahead if business and labor stick to their job of producing the most possible goods in the shortest possible time. This can happen only if business has assurance of reasonable stability in its costs, and if labor has assurance that its real wages will not be cut sharply by rising living costs.

We can look ahead to a steady easing of other inflationary forces. The efficiency of production is bound to increase and bring with it an upsurge in total output. If the stabilization laws are renewed in effective form, it is expected that the Federal budget will be balanced during the coming year, thus eliminating the deficit which was a basic source of inflationary difficulties.

As the inflationary pressures lessen, commodity after commodity can be removed from controls and we can emerge with a stable economy in which the traditional American free enterprise competitive system can take command. Not until then will the law of supply and demand keep prices at reasonable levels. So long as demand far exceeds supply, the law of supply and demand will drive prices up.

Let us remember further that inflation and collapse in the United States would gravely jeopardize our efforts to build the kind of international economic relations that will provide a solid basis for world peace. The whole structure of international prices, currency values, and financial and trade relations is still unsettled. Because of our position and influence in world trade and finance, inflation and collapse in this country would shake the entire world.

In short, the most serious difficulties of the transition from war to peace are already

behind us if only we have the wisdom and fortitude to see to it that the forces of inflation, so long held in check, are not unleashed when victory is all but won.

Therefore I call upon the Congress to act and act now by passing a bill which will give the nation adequate assurance of completing a successful transition to a sound peacetime economy. Such a bill should contain the following provisions:

First. The bill should provide for extension of the stabilization laws for a full year.

Second. The bill should authorize the continuance of stabilization subsidies on a scale sufficient to avoid serious increases in food prices during the next six months and to permit the orderly termination of subsidies during the first half of 1947. In my judgment, an authorization for the expenditure of a billion and a quarter dollars during the year as a whole is the minimum necessary for these purposes.

Third. The bill should lay down a Congressional policy with respect to the termination of price controls and subsidies. I approve the provisions of paragraphs (a), (b) and (c) of the proposed new Section 1A of the Price Control Act contained in Section 3 of the present bill. These provisions call for the orderly removal of all price controls and subsidies during the course of the coming year, with the exception only of those commodities which, on or before April 1, 1947, the President finds to be still in critically short supply and for which he asks and secures authority for continued control to be administered by some established department or agency of the Government other than the Office of Price Administration.

I would not oppose the formulation of standards for the decontrol of particular commodities, as provided in H.R. 6042, or the establishment of an independent Price

Decontrol Board to review these applications—provided that the standards were modified to make sure that during the next crucial six months, ceilings do not have to be lifted where it is clear that serious price rises would result. The spelling out of detailed standards and the establishment of new and complex administrative machinery, however, do not seem to me to be necessary. If the Congress lays down the declaration of decontrol policy contained in paragraph (b) of the proposed new Section 1A, permitting administrative flexibility in its application, I give my personal pledge that the policy will be carried out to the full in spirit as well as in letter.

I ask the Congress also, if it gives me responsibility for carrying out a measure of the kind I am urging, to permit me to do this through a unified or effectively coordinated administrative organization and not to handicap me by legislating an unsound split of authority.

Fourth. The adjustment of product prices to make possible the maximum total production is, of course, one of the fundamental requisites of good price administration during this final transition period. I do not believe that any change in the present law is necessary to assure that such adjustments are made. To put the matter beyond doubt, however, I would not object to a provision which expressly requires the adjustment of price ceilings wherever this is necessary and would be effective to increase the total production of needed goods.

The great majority of the American people want an effective price control law. They are entitled to have it. Under such a law, we can win the war against inflation just as decisively as we won the war against the Axis.

Most members of the Congress have not

yet had an opportunity to take an unequivocal position on this issue. As the present bill became more and more heavily loaded with amendments during its four and one-half months' progress through the Congress, the issues became more and more obscured. Members who wanted more effective price control were found voting for the bill, or for particular amendments to the bill, on the basis that these were the best that could be secured. Side by side with them were members who wanted to weaken price control or get rid of it altogether.

It is most unfortunate that the Congress has delayed final passage of a bill down to the eve of the very date of termination of the existing law.

As far back as September 6, 1945 I urged the Congress to pass an extension of the price control act at an early date so as to avoid the uncertainties which have made control more difficult for the last few months. Had this been done there would now be no necessity for these last-minute decisions. I repeated my request to the Congress to extend price control legislation without crippling amendments again and again—on January 21, 1946, May 22, 1946, May 25, 1946 and June 11, 1946.

Nevertheless just before the expiration of all price control there has been presented to me, by the Congress, an impossible bill.

I cannot bring myself to believe, however, that the Representatives of the American people will permit the great calamity which will befall this country if price and rent control end at midnight Sunday. On behalf of the people I request the Congress to continue by resolution the present controls for the short period of time necessary to write a workable bill.

The fight against inflation is never easy. We are battling against economic forces which have caused us untold misery after every previous war and which have overcome or are threatening to overwhelm many of the nations engaged in this war.

We shall not win this fight by soft measures.

All of us who must play a part in the decision of this issue face a solemn responsibility. We stand at an historic moment. Our actions will be judged by the American people and judged again by history.

HARRY S. TRUMAN

NOTE: For the President's message to the Congress upon signing the second price control bill, see Item 179.

153 Radio Address to the Nation on Price Controls.

June 29, 1946

[Delivered from the White House at 9 p.m.]

My fellow countrymen:

The crucial situation which confronts our country requires that I report to the people this evening.

Today I returned to the Congress without my approval the extension of the Price Control Law which it presented to me for my signature.

I returned it with a long message stating my reasons. I hope that you will all read that message in your newspapers.

I assure you, my fellow countrymen, that before I vetoed this bill I gave the subject long days and nights of consideration. I consulted with practically every top official in the Government. Either personally or

through representatives I obtained the views of people in agriculture, industry, and labor, as well as many others.

You have all heard a great deal about inflation. Its seriousness cannot be overestimated. It would affect every individual in our country. Inflation would cause an increase in the price of every article you buy. As prices soared with inflation, your money would buy fewer and fewer of the necessities of life. Your savings, your insurance, your war bonds—all would decrease in value.

For five years we have proved to this country and to the world that inflation can be prevented. Those of you who remember the First World War will recall the wild inflation and the collapse that followed. You will remember how farmers were ruined, how business men went bankrupt, how wage earners suffered. This time we have succeeded in preventing such a calamity. We have done this largely through price control. It was not done by a miracle. It was done because the American people had the wisdom and the courage and the restraint to know that they had to submit to restrictions and controls or be overcome by the force of inflation. We must continue to prevent inflation. This is as important now and in the months to come as it was during the war. Time and again I have stated and restated this proposition.

I wanted to sign a price control bill. I gave this bill long and careful study. I came to the conclusion that the bill which the Congress sent me was no price control bill at all. It gave you no protection against higher and higher prices.

Having reached that conclusion, I was faced with these alternatives. I could sign the bill on the plea which had been made to me that for the immediate present at least, it might be a little better than nothing. Or I could disapprove the bill, and call upon the

Congress to give the American people a real, workable, price control law.

If I had taken the first course and signed the bill, I would have encouraged the false impression that you were going to be protected for the next year against excessive price increases. But, sooner or later, all of you would have awakened to a bitter realization of the truth. You would have soon begun to see thousands and thousands of price increases, adding billions and billions of dollars to our cost of living. It is hard to see how people could continue to pay higher and higher prices without requiring higher wages or salaries. The tremendous advances that we have made toward the settlement of labor-management disputes over wages would have been wiped out. The mad chase to inflation would soon have been under way.

I could not permit that to happen.

I took the second alternative, knowing full well all the dangers which would come with it. I knew that there was danger that the Congress might not pass a resolution which would give us some kind of protection after midnight tomorrow when the present price control law ends. I knew, therefore, that it was very possible that for a few days at least, we might be without any price control law.

I could not bring myself to believe, however, that the representatives of the American people—your Senators and Representatives in the Congress—would permit such a condition to continue long. And I was sure that when this issue was presented to the American people and to the Congress there could be only one answer. That answer is that the Congress should immediately pass a resolution continuing present price and rent controls until the Congress can pass a workable bill.

It would have been much easier for me to sign this bill. But the American people

would have soon realized that real price control was at an end in spite of the law. If I had signed the bill the people would have seen their prices going up, day by day. You would have realized soon that the bill which had been passed and called a price control law was not price control at all.

What I have done is to call a spade a spade. I must now rely upon the American people and upon a patriotic and co-operative Congress to protect us all from the great pressures now upon us, leading us to disastrous inflation unless we have the means to resist them.

I know how weary you all are of these restrictions and controls. I am also weary of them. I spend a good deal of my time listening to complaints. I know how eager every one of you is for the day when you can run your own affairs in your own way as you did before the war. I know, therefore, how strong the temptation is to remove too quickly the safeguards which we have built up for ourselves and our children.

The bill which the Congress sent me yielded to that temptation.

It is certainly most unfortunate that the Congress kept delaying and delaying action on this bill for so many months when they knew that the price control law was going to expire tomorrow.

I am sure that all of you know of the efforts which I made to get the Congress to act on a price control extension far in advance of the date when the old law was going to expire. As far back as September last year, in a message to the Congress, I urged it to pass an extension of the price control act at an early date. I did not rest with that Message of last September. In later communications to the Congress, I repeated my request four times to extend price control. In addition to these di-

rect communications, I stated publicly many times how important it was to our safety that a price control extension bill should be passed right away.

But I could not persuade the Congress to act. Instead, just two days before the expiration of all price control this impossible bill was sent to me.

In my veto message to the Congress which I sent this morning I discussed the various provisions of the bill.

I do not have time this evening to comment on all the provisions of the bill. There are many objections to it, but my most fundamental objection is to the price raising amendment for manufacturers which was introduced by Senator Taft.

Under this amendment there would be thousands of needless price increases amounting to many billions of dollars. The Taft amendment provides that the manufacturer shall receive for each article the profit which he made on that article in 1941 and that he may add to the 1941 selling price all increases in cost which have occurred since that time. In 1941 the manufacturer received a much greater profit out of each dollar of sales than at any time in the five preceding years or in any of the five following wartime years. In fact, profit margins in 1941 were 50 percent greater than in the banner year 1929.

Volume of sales is much greater today than in 1941, so that manufacturers would have received a bonanza. In addition, Senator Taft's fellow Republicans, Senator Wherry and Representative Crawford, put amendments into the bill which made sure that not only would the manufacturers' price increases be borne by the public but that such increases would be pyramided by generous wholesalers' and retailers' markups.

As you sit in your homes this evening your interest in this bill and my interest in

this bill are exactly the same. The question is: What effect would this bill have had on you—the people of our country?

I believe in the profit system and desire that profits should be ample to provide the incentive for full production. The Taft amendment, however, provides for higher prices and higher profits even where production is already going at full blast and profits are wholly satisfactory.

We have been through five difficult years. We are looking forward to buying the things we need. Let us examine this problem together.

Do you need a new low-price automobile? If so, what effect would the Taft amendment have had on the price of your new car? It would have increased immediately the prices of the popular makes of automobiles by two hundred and twenty-five to two hundred fifty dollars per car.

Are you a veteran planning to build a home for yourself and family? The Taft amendment would have added immediately a minimum of twenty percent to the cost of your building materials. The program recently approved by the Congress to provide veterans' housing at reasonable cost would have been completely disrupted by this Taft amendment.

Are you a housewife who has been waiting for years for that new washing machine or refrigerator? The Taft amendment would have made it cost one-third more right away.

Are you faced with the responsibility of clothing your family? Under the Taft and other amendments the already high clothing prices would have been increased fifteen percent right away. For clothing alone the American people would have paid at least three billion dollars more a year.

Are you in a business in which you need to buy steel? The price of steel would have

gone up under the Taft amendment between four and eight dollars per ton right away.

Are you a farmer? Under this bill the price of farm machinery would have gone up thirteen percent right away.

Those are only a few examples of the first round of increases the Taft amendment would bring. But that is only the beginning. Price increases in one industry are cost increases in another. By the time, for example, that the automobile industry had got its Taft increase based on present costs, it would be hit by the Taft increases in steel, tires, safety glass, and other materials. So automobiles would go up still more.

In this way increase would follow increase. The bill had no stopping place in it.

In addition, these increases would have been passed right down the line. You, the consumer, would pay it all.

All of us agree that what this country needs is production. Production brings jobs, good wages, moderate prices. Perhaps the most vicious effect of the Taft amendment would be to slow up production.

The only possible justification urged for all of these Taft price increases is the claim that they are necessary to encourage production. Even if they did encourage production, that would still be a terrific price to pay for that increased production—a price measured in suffering and distress among people of moderate and low incomes.

The fact is, however, that production would not be stimulated by the Taft amendment, but would be greatly impeded. Nobody wants to sell his goods this week if he can get a better price for them next week. This is no mere theory. You have seen it working day after day for the last month or so, as people began to believe that price control might soon come to an end.

People who had cattle and hogs to sell for slaughter for food have decided to hold them for higher prices. People who had clothing for sale have decided to do the same thing. So have people with innumerable other commodities which we all need so badly now.

Incidentally, I have asked the Attorney General to make an investigation of some of the factors involved in our present shortages to determine whether anyone is criminally responsible for them and to place the responsibility where it belongs.

These instances of withholding goods from the consumer would be multiplied thousands of times under the Taft amendment. Production and deliveries would be slowed down waiting for price increases. This would create bottlenecks of essential materials and essential parts which would bring production lines to a halt. By the time they started up again there would be new applications for price increases and additional waiting for greater profits. Labor would be penalized by loss of employment. Consumers would be penalized by lack of goods and ever rising prices. Farmers would be penalized by higher prices for what they buy and reduced markets for the things they sell.

It is a cruel jest to say that the Taft amendment would aid production. As I also pointed out this morning in my veto message, the Taft amendment would wholly destroy our program of wage stabilization which has been built up since V-J Day. It would destroy the usefulness of the Wage Stabilization Board.

The result would be the beginning of an inevitable spiral of uncontrolled inflation—a race between rising wages and rising prices. Far-sighted leaders of both labor and management know that nothing can be gained—and everything lost—by simply

letting prices and wages chase each other.

Despite the total impossibility of stabilizing other prices under this bill, I would have hesitated to disapprove it if I had thought it gave some real protection against soaring food prices and rents. We have learned, however, that higher prices for the things that farmers and landlords buy, would inevitably force up food prices and rents. In both instances, serious increases would be forced upon us by the hard facts of business and economics.

I realize that the great majority of our people do not have the facts and figures that must be considered in order to know what a bill like this would do. That is why I am speaking to you this evening. You are entitled to have the facts before you.

I want to make clear that my decision to veto this bill does not mean any lack of appreciation of the sincere and tireless efforts of the leaders and many other members of the Senate and the House of Representatives to pass a workable price control bill. I know that many members of both houses who voted for the bill which was sent to me did so with regret and only because they had, at that time, no opportunity to vote for a good bill. Now every member has a clear cut opportunity to show whether or not he wants effective price controls.

I have submitted to the Congress in my veto message a plan for price control legislation for the comparatively short period of time that it is still needed. The will of the people is still the supreme law of our land. Your determination to retain price controls and so prevent inflation must be made known to the Congress. The Congress is the only branch of our Government which has the power to pass a law providing for proper price control.

Now because of Congressional delay we are faced with a brief period in which legal

restraints on price increases will be lacking. I have urged the Congress to act immediately and to adopt the kind of bill which can be made to work.

But, in the event of delay, I know that the United States can depend upon the patriotism and good sense of its citizens. Therefore, I call upon every businessman, every producer and every landlord to adhere to existing regulations, even though for a short period they may not have the effect of law. It would be contrary to their own interest to embark upon a reckless period of inflation. It is to their own interest to exercise self-restraint until some action can be obtained from the Congress.

I also request every employee of the OPA to stay at his battle station. The fight is not over. I am counting on all employees of the OPA to continue to serve in the future as they have in the past and to finish the job. I urge these loyal civil servants and the

thousands of volunteers who are giving their time to make price control a success, to see this fight through.¹

And, finally, my fellow citizens, I say to you that we as a nation have it within our hands to make this post-war period an era of the greatest opportunity and prosperity in our nation's history. But if short-sightedness and impatience, if partisanship and greed, are allowed to triumph over the efforts to maintain economic stability, this grand opportunity will have been sacrificed.

That must not happen.

With your help and understanding it will not happen.

¹ On June 30 the President issued Executive Order 9745 "Providing for the Interim Administration of Certain Continuing Functions of the Office of Price Administration" (3 CFR, 1943-1948 Comp., p. 554).

For letter requesting the members and staff to remain at their posts, see Item 156.

154 Letter Accepting Resignation of the Chairman and Members of the Fair Employment Practice Committee. *June 30, 1946*

[Released June 30, 1946. Dated June 28, 1946]

Dear Mr. Ross:

I have your letter of June 28, containing the resignations of yourself and your fellow Committee members, together with recommendations made pursuant to Executive Order No. 9664.

The members of your Committee performed an important war service task of great difficulty and delicacy. They performed it capably, even under a continuous barrage of criticism and harassment.

The degree of effectiveness which the Fair Employment Practice Committee was able to attain has shown once and for all that it is possible to equalize job oppor-

tunity by governmental action, and thus eventually to eliminate the influence of prejudice in the field of employment.

Please convey to the members of the Committee my appreciation of the devotion they brought to this war-time task. I thank them for their service, and I accept their resignations with great regret.

Very sincerely yours,

HARRY S. TRUMAN

[Mr. Malcolm Ross, Chairman, Fair Employment Practice Committee, Washington 25, D.C.]

NOTE: The Committee, in its letter of June 28, recommended that the President continue to urge upon the Congress the passage of legislation which

would guarantee equal job opportunity to all workers without discrimination because of race, color, religious belief, or national origin; that the Federal Government take steps not only to promulgate its policy more widely, but to enforce it as well; and that the appropriate Government agencies be instructed to include statistics on employment and

unemployment by race and by sex within industries and occupations.

The Committee's letter was released with the President's reply together with an excerpt, "Summary and Conclusions," from the Final Report of the Committee (Government Printing Office, 1947).

155 White House Statement on the President's Meeting With Leaders of the Jewish Agency for Palestine. July 2, 1946

THE PRESIDENT conferred today with the following American members of the Executive of the Jewish Agency for Palestine: Rabbi Stephen S. Wise, Dr. Nahum Goldmann, Mr. Louis Lipsky and Rabbi Abba H. Silver.

The representatives of the Jewish Agency gave the President their views of recent events in Palestine.

The President expressed his regret at these developments in Palestine. He informed the representatives of the Jewish Agency that the Government of the United States had not been consulted on these measures prior to their adoption by the British Government. He expressed the hope that the leaders of the Jewish community in Palestine would soon be released and that the situation would soon return to normal. The President added further that it was

his determination that these most recent events should mean no delay in pushing forward with a policy of transferring 100,000 Jewish immigrants to Palestine with all dispatch, in accordance with the statement he made upon the receipt of the report of the Anglo-American Committee of Inquiry. The President indicated that the Government of the United States was prepared to assume technical and financial responsibility for the transportation of these immigrants from Europe to Palestine.

He expressed his thanks for the workmanlike suggestions embodied in the letter which the American members of the Jewish Agency Executive sent him on June 14 with respect to the technical and financial problems involved in the transfer and resettlement of the 100,000 immigrants.

156 Letter to the Chairman, Wage Stabilization Board, Requesting the Members and Staff To Remain at Their Posts. July 2, 1946

Dear Mr. Wirtz:

I am writing to express to you and to all members of the National Wage Stabilization Board my appreciation of your letter of June twenty-eighth. It was particularly helpful to receive at that critical time from a

board whose members speak not only as officials of the government but also as representatives of labor and industry, such a forthright statement pointing out the grave dangers inherent in the Price Control Bill then under consideration. My own action

in vetoing the bill has made clear how fully my appraisal of its consequences corresponded with yours.

In my radio address last Saturday night I referred to the need for keeping intact the agencies of the government responsible for the administration of the stabilization policy and I requested those government employees who were engaged in the fight against inflation to stay at their posts. My specific reference in this address was to the employees of the Office of Price Administration. This was because their very existence beyond June thirtieth is not at this moment provided for.

Because the National Wage Stabilization Board receives its appropriation as a part of the Department of Labor appropriation and because it exercises (under the War Labor Disputes Act and under Executive Order 9672) certain functions other than stabilization functions, its administrative and financial position is different from that of the

Office of Price Administration. Nevertheless, I want the members and staff of the Board to realize that they were included within the spirit of my request. I hope every employee will remain on the job until the Congress can act.

I spoke, in my message to the House of Representatives vetoing the so-called Price Control Bill, of the invaluable contributions of the National Wage Stabilization Board to this crucial campaign against the forces of inflation. It is a contribution not only of the members of the Board itself but of the staff upon which its work depends. That contribution is essential to the continuance of this campaign which I shall press to the fullest extent of my powers.

Very sincerely yours,

HARRY S. TRUMAN

[Honorable W. Willard Wirtz, Chairman, National Wage Stabilization Board, Department of Labor, Room 5146, Washington 25, D.C.]

157 Special Message to the Congress Upon Approving the Hobbs Bill. July 3, 1946

To the Congress of the United States:

I have today approved H.R. 32, the so-called Hobbs Bill. This measure makes it a felony for any person to commit robbery or extortion which in any way obstructs, delays, or affects interstate commerce or the movement of any article or commodity in interstate commerce.

This Bill corresponds in terms to section 7 of H.R. 4908, the Case Bill, which I returned on June 11, 1946, without my approval. In my message of June 11, I stated that I was in full accord with the objectives of section 7 of the Case Bill. I added that "some question may arise from the fact that section 7 omits from the original act the provision that it was not to be construed

so as to 'impair, diminish or in any manner affect the rights of bona fide labor organizations in lawfully carrying out the legitimate objects thereof.'"

The measure now comes before me as a separate enactment, rather than as one provision of the Case Bill.

Section 11 of the Case Bill seriously weakened the protection afforded to labor by the Norris-La Guardia Act and correspondingly crippled the specific exceptions contained in section 7 of the Case Bill. The present act, standing alone, is not subject to this objection.

The Attorney General advises me that the present Bill does not in any way interfere with the rights of unions in carrying

out their legitimate objectives. He bases this conclusion upon the language of the Bill, as a separate measure, and upon the legislative history.

He makes reference, in particular, to Title II of the Bill. That title provides that nothing in the Bill shall be construed to repeal, modify, or affect the Railway Labor Act, the Norris-La Guardia Act, the Wagner Act, and specified sections of the Clayton Act, i.e., the great legislative safeguards which the Congress has established for the protection of labor in the exercise of its

fundamental rights. The Attorney General also advises that the legislative history shows that the Bill is not intended to deprive labor of any of its recognized rights, including the right to strike and to picket, and to take other legitimate and peaceful concerted action.

On this understanding, I am approving the Bill.

HARRY S. TRUMAN

NOTE: As enacted, H.R. 32 is Public Law 486, 79th Congress (60 Stat. 420).

158 Statement by the President on the Independence of the Philippines. *July 3, 1946*

THE INDEPENDENCE achieved today by the Philippines comes after a period of forty-eight years of American sovereignty over the Islands. Throughout this period it has been the consistently expressed policy of this Government, as revealed in the instructions of President McKinley to the Philippine Commission, the Jones Law, and the Tydings-McDuffie Law, to prepare the people of the Philippines for independence. An ever increasing measure of self-government has been granted to the Filipino people as year after year they demonstrated their capacity for democratic self-government.

With independence the Republic of the Philippines is admittedly confronted with many difficult problems. Almost any new

nation facing independence would be confronted with similar problems.

I am confident, however, that the Filipino people will meet the challenge of independence with courage and determination. The United States stands ready to assist the Philippines in every way possible during the years to come. Together, solutions will be found for the problems which the Philippines will encounter.

It is more than symbolic that our two countries should be jointly celebrating July 4 as Independence Day. It is my hope that each succeeding July 4 will constitute a milestone of progress along the path of mutual cooperation for the achievement of international understanding and well-being.

159 Recorded Message to the People of the Philippines Upon the Occasion of Their Independence. *July 3, 1946*

To the People of the Philippines:

I am indeed happy to be able to join with you in the formal inauguration of the Republic of the Philippines.

This is a proud day for our two countries. For the Philippines it marks the end of a centuries-old struggle for freedom. For the United States it marks the end of a

period of almost fifty years of cooperation with the Philippines looking toward independence.

Now the new Republic faces the problems of independent nationhood. These problems will be difficult and trying. The road to independence has not been an easy one. The road of independence will likewise not be an easy one. The mettle of a people, the mettle of a nation, are on trial before the world.

But the United States has faith in the ability and in the determination of the Philippine people to solve the problems confronting their country. The men who defied Magellan, who fought for a Republic in 1898, and who more recently on Bataan, Corregidor, and at a hundred other unsung battlegrounds in the Philippines flung back the Japanese challenge, will not lack the courage which is necessary to make government work in peace as well as in war. The will to succeed, I am sure, will continue to govern the actions of the Philippine people.

The United States, moreover, will continue to assist the Philippines in every way possible. A formal compact is being dissolved. The compact of faith and understanding between the two peoples can never

be dissolved. We recognize that fact and propose to do all within our power to make Philippine independence effective and meaningful.

Our two countries will be closely bound together for many years to come. We of the United States feel that we are merely entering into a new partnership with the Philippines—a partnership of two free and sovereign nations working in harmony and understanding. The United States and its partner of the Pacific, the Philippine Republic, have already charted a pattern of relationships for all the world to study. Together in the future, our two countries must prove the soundness and the wisdom of this great experiment in Pacific democracy.

May God protect and preserve the Republic of the Philippines!

NOTE: The President's words were the climax of a special program by the Office of International Information and Cultural Affairs of the Department of State saluting the granting of independence to the Republic of the Philippines by the United States. The program was broadcast from 7:05 to 8 p.m. on July 3 and rebroadcast to the Philippines the following morning.

The President's message was heard in 25 countries of South America and Europe as well as in the Philippines, Netherlands East Indies, Japan, China, and India.

160 Letter to the President, American Theatres Association, Concerning Government Informational Films. July 8, 1946

Dear Mr. Fabian:

I have your letter of May 31, 1946, in which you say

"In looking ahead to further cooperation in the Government's program, I feel it is vitally necessary that you designate some agency which will serve as a clearing house for all Federal departments in the matter of films recommended for public showing."

The motion picture industry made a most substantial contribution to the Government's wartime information program. I am glad to have an indication from the motion picture exhibitors pointing to continued cooperation in the problems of the peace.

Your suggestion seems to me a sound one and I have, therefore, designated the Office of War Mobilization and Reconversion as the

appropriate agency to provide the necessary clearing house and liaison service in relation to the use of the facilities of the motion picture industry. I have instructed the Director of the agency to establish the necessary central office and to notify all Government agencies that such a clearing house will be used in connection with requests for the theatrical exhibition of Government motion picture informational films. The Office of War Mobilization and Reconversion will be responsible for maintaining liaison with the film industry in the various problems incident to presenting Government messages on the screen.

May I renew my thanks to the motion picture exhibitors and the film industry in gen-

eral for its splendid wartime service. I should like also to point out that any assistance which this Government may request of any part of the film industry must not be interpreted as interfering in any way with complete freedom of expression and complete freedom of the screen. At a time in contemporary history when freedom of expression is being jeopardized in many parts of the world, I want the film industry to know that freedom of the screen is an important attribute of our democratic system and must be firmly protected.

Sincerely yours,

HARRY S. TRUMAN

[Mr. S. H. Fabian, President, American Theatres Association, 1501 Broadway, New York 18, N.Y.]

161 Statement by the President Upon the Death of Sidney Hillman. *July 10, 1946*

IN THE DEATH of Sidney Hillman the cause of democracy in this country and the world loses one of its most effective and devoted exponents. Sidney Hillman was more than a distinguished labor leader; he was a great humanitarian and an outstand-

ing statesman in the field of labor-management relations. That he, an immigrant youth, could rise to eminence in the land of his adoption is a tribute at once to his own ability and character and to the democratic ideals for which he fought.

162 Remarks to the Members of the Conference on Emergency Problems in Higher Education. *July 11, 1946*

IT'S A PLEASURE to me to be able to welcome you to Washington this morning. I understand that one of your tremendous problems is a result of the war. So many people now want education who didn't want it before, that you are having a difficult time taking care of all of them. Of course, I was led to believe that the war would ruin all education, but it seems to have stimulated it.

We don't believe in wars any more, of course, but I do believe that if we can implement the United Nations Organization with a police force behind it sufficient to make its mandates stand up, we can have world peace, just as we finally after 80 years—at the end of the Civil War—obtained peace in the United States. We had to take time out to fight among ourselves, before we could make up our minds

that the States ought to live together peaceably.

International dealings are no different from those carried on among individuals. Nations represent a community of individuals, and there isn't any more reason why we can't understand each other as nations than why we can't understand each other as individuals.

Now it is your duty, as the educators of the country, to get the rising generation to believe that; and if you can overcome those prejudices which cause wars—religious prejudices, economic prejudices, misunderstandings between races and people of different languages—we can accomplish this.

You know, it would be as easy as could be to create a world peace if everybody in the world spoke the same language and read the same newspapers, and had a code of morals based on the necessity for people to live together. Unless we have a code of morals which respects the other fellow's interests and in which we believe that we should act as we would be acted by, you

never can maintain peace.

The happiest thing to me is the fact that these returned soldiers and sailors, marines, Wacs and Waves, and so forth, are giving you such a headache on education. I hope they will continue to do that. And if they do, I think the country is perfectly safe.

It is a pleasure for me to have you here this morning, and to be able to make a few off-the-cuff remarks on a subject that is very close to my heart. When a man wants an education badly enough, he usually manages to get it; but it has been our system to make it easy for him to get that education, and we want that to continue—although sometimes the struggle for something that is worth while makes it all the better, after you get it.

Thank you very much.

I hope you will have a successful meeting.

NOTE: The President spoke in his office at the White House. The conference, held under the auspices of the American Council on Education, was attended by delegate faculty members from colleges and universities and representatives of Government agencies.

163 The President's News Conference of

July 11, 1946

THE PRESIDENT. [1.] I have some reports I want to call your attention to. The Evaluation Board of the Joint Chiefs of Staff has put out a preliminary report, and the President's Evaluation Commission, headed by Senator Hatch, has put out a preliminary report, which I think is in the hands of most of you. Those of you who haven't it—those reports, they are available for distribution. They are merely preliminary reports, and do not go into details.

[2.] Then I have a very important report by Mr. Steelman's office—Mr. Steel-

man's report for this quarter, and it's—I would like to emphasize one or two things in it, if you like. This is also available—this is a statement, and I just want to take one or two things out of it for you:

Production by midyear reached the highest level ever attained in peacetime.

More people are working now than ever before—four and a half million more than in 1941, our highest prewar year.

Although public attention was focused on the soft coal and railroad strikes, the great majority of workers remained on their

jobs. Fewer man-days of idleness due to industrial disputes were recorded during the last quarter than in the first 3 months of this year.

Our people are earning more money and they are purchasing a greater volume of goods than ever before in peacetime.

We are meeting in full our commitments to ship food to the starving peoples of the world.

We have made more progress than many thought possible toward providing new houses for our people.

Certainly, up to this point, runaway inflation has been prevented.

But as the seventh report of the Reconversion Director points out, all of the ground we have so laboriously won against inflation will be lost without workable price control. Every day that passes without a price control law on the books increases that danger.

Now I am ready for questions.

[3.] Q. Mr. President, would you sign the OPA extension bill as it was reported out by the Banking Committee, without meat control—

THE PRESIDENT. Do you know what the OPA extension bill was in the last 5 minutes? What was the last amendment? I can't tell you what I will do with the OPA bill until it gets before me, because nobody knows what it's going to be.

[4.] Q. Mr. President, are you considering former Mayor Thomas Holling of Buffalo for Governor of Puerto Rico?

THE PRESIDENT. No. Somebody may have recommended him, and I haven't—the letter may not yet have reached me.

[5.] Q. Mr. President, did you discuss politics with Paul Fitzpatrick?

THE PRESIDENT. Why certainly. That's what Paul Fitzpatrick came in here for, and I was glad to discuss politics with him.

Q. Can you say anything about it?

THE PRESIDENT. He is very well educated in politics. No, I have no comment to make.

Q. Mr. President, after he left, he said that in behalf of the New York delegation he had asked you to issue another appeal to Great Britain concerning Palestine. Have you any intention of issuing such an appeal?

THE PRESIDENT. The Cabinet committees of Great Britain and the United States are now meeting on the implementation of the report of the Commission, and I have no comment to make at the present time.

[6.] Q. Have you any comment, Mr. President, now on your endorsement of Senator Mead—

THE PRESIDENT. No.

Q. —as candidate for Governor—

THE PRESIDENT. Well, let's wait a little while to see about that.

[7.] Q. Do you consider your letter to Senator Wheeler an endorsement of the primary campaign—

THE PRESIDENT. No. Senator Wheeler's—not necessarily an endorsement. You can translate it that way, if you like. Senator Wheeler's—the opponent of Senator Wheeler—the manager of Senator Wheeler's campaign opponent issued a mimeographed letter which was an attack on me, and a vicious attack on Wheeler. It was so palpably untrue that I couldn't let it pass by without comment, so I wrote Senator Wheeler a letter about it.

Q. Mr. President, if you are only going to deal with politics in your own State, why did—

THE PRESIDENT. I didn't say that. I said that in the primaries I dealt with politics only in Missouri. I am dealing with politics in every State in the Union.

Q. What can you tell us, then, about—
[laughter]—about what Fitzpatrick said

about New York State politics?

THE PRESIDENT. I have no comment to make on that.

[8.] Q. Mr. President, in connection with Puerto Rico, would you care to comment on the recommendation of the legislature of Puerto Rico, that the Resident Commissioner Piñero be named to succeed Tugwell?

THE PRESIDENT. I have received that recommendation, and I am glad to get it. I have been trying to find a Puerto Rican who could act as Governor of Puerto Rico.

Q. How near are you—is that decision pretty near, Mr. President?

THE PRESIDENT. No. I haven't made a decision as yet. I will let you know immediately, when I make it.

[9.] Q. Mr. President, up on Capitol Hill there's a rumor—report to the effect that you expect to call a special session of Congress at the conclusion of this one, if they haven't finished your suggested program. Would you care to comment? Do you intend to do so?

THE PRESIDENT. I have no comment on that. That's the first I've heard of it.

[10.] Q. Mr. President, what do you think of the current activities of the Mead investigating committee?

THE PRESIDENT. They came up here, all the members of the committee—that is, most of them, Republicans and Democrats—and told me that they had some evidence on unconscionable war profits, and asked if they would have the cooperation of the administration in ferreting out these profits. And I told them they would have the full coop-

eration of the administration in that endeavor.

Q. They have it now?

THE PRESIDENT. They have that cooperation.

Q. Did they ask you for permission to look at the tax returns?

THE PRESIDENT. They have not yet, but I imagine that they will; and if they have justification enough for them to be looked at, they will be given that permission.

[11.] Q. Mr. President, Charlie Ross has told us on several occasions that you have been in touch by telephone with Mr. Byrnes at Paris?

THE PRESIDENT. Yes.

Q. Is there anything that you could let us have in reflection, on what progress was made there?

THE PRESIDENT. Well, there is nothing that transpired between Mr. Byrnes and myself that hasn't been in the newspapers. He will be home very shortly, and will immediately make a statement on the Paris conference, and I would prefer that he make the comments, because he was there.

Q. The fact that he will be home very shortly would seem to indicate that he does not expect to go very much farther—deeper at this point into the German question, since they have only begun—

THE PRESIDENT. I can't answer that. You will have to ask Mr. Byrnes about that.

Reporter: Thank you, Mr. President.

NOTE: President Truman's seventy-second news conference was held in his office at the White House at 4 p.m. on Thursday, July 11, 1946.

164 Statement by the President Summarizing Reconversion Progress. July 11, 1946

IT IS a good thing, from time to time, for all of us to take stock of the progress we have made toward our peacetime domestic goal of sustained full production and full employment.

John R. Steelman's report on reconversion¹ sets forth some facts and figures which a good many people have been inclined to overlook in the heat of debate. Up to June 30 the setbacks which we suffered had been disproportionately magnified.

The facts are that:

Production by mid-year reached the highest level ever attained in peacetime.

More people are working now than ever before—four and a half million more than in 1941, our highest prewar year. Particularly gratifying is the fact that eight out of every ten returned veterans already have jobs; but we shall not be satisfied until the rest of our veterans have suitable employment opportunities. The number of people looking for work was only slightly above two and a half million by the end of June.

Although public attention was focused on the soft-coal and railroad strikes, the great majority of workers remained on their jobs. Fewer man days of idleness due to industrial disputes were recorded during the last quarter than in the first three months of this year.

Our people are earning more money and they are purchasing a greater volume of goods than ever before in peacetime.

We are meeting in full our commitments

to ship food to the starving peoples of the world.

We have made more progress than many thought possible toward providing new houses for our people.

Certainly, up to this point runaway inflation has been prevented.

But as the seventh report of the Reconversion Director points out, all of the ground we have so laboriously won against inflation will be irretrievably lost without a workable price control law. Every day that passes without a law on the books increases that danger.

The Administration is determined to do everything within its power, under the authority granted by the Congress, to maintain the gains we have made and to continue moving toward our goal.

To this end, I have directed Mr. Steelman to coordinate to the fullest extent the activities of the executive agencies of the Government which can assist both industry and labor to attain the high volume of production necessary to ward off inflation.

To supplement pending price control measures, the Administration is reviewing its fiscal and monetary policies. Government expenditures will be reduced. All deferrable construction and public works projects using Federal funds will be studied with a view to saving strategic materials and diminishing inflationary pressures. Military and veterans program costs which have been rising above earlier estimates will be reviewed to determine where they can be reduced without endangering national security or causing unjustified hardship. All these measures are necessary but they are no substitute for specific price control until full production is attained.

¹ "At the Crossroads, Seventh Report to the President, the Senate & the House of Representatives, by the Director of War Mobilization and Reconversion," July 1, 1946 (Government Printing Office, 1946, 69 pp.).

165 Statement by the President Upon Releasing Report on Famine Relief Food Shipments. *July 12, 1946*

EVERY AMERICAN can take pride in the record of accomplishment in shipping food for relief as shown in the attached report which I have received from Secretary of Agriculture Clinton P. Anderson.

Only by cooperation and determined effort on the part of everyone has it been possible to make good on our promises—and, in the case of food grains, to exceed our commitments. The public generally, food producers and handlers, transportation companies, organizations, and government agencies—all have helped to make

this impressive record possible.

Only by continued cooperation among all of us can we as a nation do our full share in the months to come to relieve the hunger that still exists in the world.

The importance of this effort in relieving human suffering and establishing world peace cannot be overestimated.

NOTE: In his report, Mr. Anderson noted that the United States had exported more than 16½ million long tons of foodstuffs to war-devastated countries during the year which ended June 30.

The report, dated July 8, is printed in the Department of State Bulletin (vol. 15, p. 119).

166 Letter Appointing Members to the National Commission on Higher Education. *July 13, 1946*

Dear _____:

As veterans return to college by the hundreds of thousands, the institutions of higher education face a period of trial which is taxing their resources and their resourcefulness to the utmost. The Federal Government is taking all practicable steps to assist the institutions to meet this challenge and to assure that all qualified veterans desirous of continuing their education have the opportunity to do so. I am confident that the combined efforts of the educational institutions, the States, and the Federal Government will succeed in solving these immediate problems.

It seems particularly important, therefore, that we should now re-examine our system of higher education in terms of its objectives, methods, and facilities; and in the light of the social role it has to play.

These matters are of such far-reaching

national importance that I have decided to appoint a Presidential Commission on Higher Education. This Commission will be composed of outstanding civic and educational leaders and will be charged with an examination of the functions of higher education in our democracy and of the means by which they can best be performed. I should like you to serve on this body.

Among the more specific questions with which I hope the Commission will concern itself are: ways and means of expanding educational opportunities for all able young people; the adequacy of curricula, particularly in the fields of international affairs and social understanding; the desirability of establishing a series of intermediate technical institutes; the financial structure of higher education with particular reference to the requirements for the rapid expansion of physical facilities. These topics of in-

quiry are merely suggestive and not intended to limit in any way the scope of the Commission's work.

I hope that you will find it possible to serve on this Commission.

Very sincerely yours,

HARRY S. TRUMAN

NOTE: This is the text of identical letters sent to 30 appointees to the National Commission on Higher Education. The White House release mak-

ing public the letter listed the members of the Commission of which George F. Zook, President, American Council on Education, was named as Chairman and Dr. Francis Brown, Director, Division of Higher Education, American Council on Education, as Executive Secretary. The release stated that the President, in announcing the appointment of the Commission, called upon all Federal agencies to cooperate with the Commission in its work and designated Dr. John R. Steelman, Director of War Mobilization and Reconversion, to serve as liaison officer between the Commission and the agencies.

167 Recorded Message to the President and People of France on Bastille Day. *July 14, 1946*

To the President and the People of France:

The French people are today celebrating their first peacetime Bastille Day since 1939.

Two years ago, we were fighting against the Germans on French soil, side by side with the valiant soldiers of France, both military and civilian.

One year ago, while the war was nearing its victorious conclusion in the Far East, France was rebuilding her economy and receiving again into her arms those of her brave sons and daughters who had returned from the infamous prisons and camps of Germany.

In spite of her losses and the destruction of her territory for the second time in 25

years, France remains in the front line of the free nations of the earth, proclaiming today the same principles of liberty and of respect for the individual as those in whose name her people spoke 157 years ago.

On this day—a day bright with the achievements of the great French Republic, and with the deeds, suffering, and sacrifice of her valiant people—I am happy to address to you, Mr. President, in the name of the United States of America, my best wishes and fraternal salutations.

NOTE: The message was broadcast at 2:30 p.m. as part of a program of the International Broadcasting Division of the Department of State.

168 Remarks to the Members of the Youth Conference on Famine Relief. *July 15, 1946*

IT IS a pleasure for me this morning to welcome you to Washington, particularly for the purpose for which you are here. We have heard a great deal about famine and malnutrition, and things of that sort. It is a very real situation to the people who have not enough to eat.

We are rather proud of our contribution to the feeding of the world. Our commitments last November were for 225 million bushels of food grains. We have furnished to date 417 million bushels of food grains. But that is nothing for us to brag about. We furnished those food grains because we

happen to be the country that had them. That doesn't mean that everybody, while he didn't starve, received enough to eat.

You can make a contribution to this situation with which we are faced—and we are still faced with it, in spite of the fact that we almost doubled our quota—by bringing home to our people the necessity for still contributing to the feeding of the world.

A lot of people now will be saying to you that they are sick and tired of hearing of starvation and want. Maybe they are, because this great country of ours very seldom comes to the point where any segment of its population is on a starvation basis. We can't appreciate what goes on in those countries that have had their farms and their homes and their property completely destroyed. I wish all of you could see the situation as it really is in Poland and Greece and Hungary and Austria and Germany and China. You would understand then just exactly what it means, and what war and pestilence really mean. You would know what the Four Horsemen look like.

Now it is up to you young people to

make a contribution to the feeding and the care of the people who cannot feed and care for themselves.

I would like to have a report from you in 12 months to see just exactly what you have done toward bringing home to our people the necessity for their continuing to help feed the world. It is going to take another year or two—maybe three—before those countries can get back on a production basis so that they can even contribute to their own support. We are going to help them all we can with machinery and tools and the wherewithal to raise food, but it will be some time before those destroyed countries can get back on a basis where they can feed themselves.

I appreciate very much your interest in this matter. I appreciate very much your interest, because I know youth can keep the fires burning that will cause us to be able to see that the world does not starve, after winning the victory for freedom and right.

Thank you very much.

NOTE: The President spoke in the Movie Room at the White House at 9:45 a.m.

169 Statement by the President Following Approval of the Financial Agreement With Great Britain. *July 15, 1946*

THE APPROVAL by the Congress of the Financial Agreement with Great Britain is a major step in carrying out our program for reviving and expanding international trade. The wide discussion of the measure which has taken place on both sides of the Atlantic emphasizes its importance. Full and frank debate is a basic principle of the democratic system, and I believe that the time and care given to the consideration of the Agreement are insurance that our approval rests on full understanding.

The loan serves our immediate and long-range interests by helping to restore world trade. At the same time it enables Great Britain to cooperate in creating a pattern of mutually beneficial economic relations among the nations of the world. It goes far to remove the danger of rival and antagonistic economic blocs. No one should think that this Agreement between the United States and Great Britain is directed against any other country. It is not. The system of trade we seek is open on the same fair

terms to all the United Nations.

While considerations of broad self-interest underlie our action, this does not mean that we have forgotten the circumstances which gave rise to Britain's present problems. It is fortunate and gratifying that this action both serves our own interests and helps to solve the problems which Britain faces as the direct consequence of having devoted

her human, spiritual, and material resources so fully to the common cause.

NOTE: Senate Resolution 138 "To implement further the purpose of the Bretton Woods Agreement Act by authorizing the Secretary of the Treasury to carry out an agreement with the United Kingdom and for other purposes" is Public Law 509, 79th Congress (60 Stat. 535).

The agreement is printed in the U.S. Statutes at Large (60 Stat. 1841).

170 Remarks Upon Presenting a Citation to a Nisei Regiment. *July 15, 1946*

IT IS a very great pleasure to me today to be able to put the seventh regimental citation on your banners.

You are to be congratulated on what you have done for this great country of ours. I think it was my predecessor who said that Americanism is not a matter of race or creed, it is a matter of the heart.

You fought for the free nations of the world along with the rest of us. I congratulate you on that, and I can't tell you how very much I appreciate the privilege of being able to show you just how much

the United States of America thinks of what you have done.

You are now on your way home. You fought not only the enemy, but you fought prejudice—and you have won. Keep up that fight, and we will continue to win—to make this great Republic stand for just what the Constitution says it stands for: the welfare of all the people all the time.

Bring forward the colors.

NOTE: The President reviewed the 442d Regimental Combat Team and made the presentation in a ceremony on the Ellipse south of the White House grounds at 2:45 p.m.

171 Remarks Upon Presenting Presidential Unit Citations to Eight Aircraft Carriers. *July 16, 1946*

Admiral Mitscher, and distinguished guests here today:

It is a very great pleasure to me to have had the privilege of presenting citations to these aircraft carriers. They made remarkable records. When you read those records, you read the history of the war in the Pacific.

The carrier now has become the eyes of the fleet—its guardian. It is hard to appreciate fully just what these carriers meant to

the winning of the war in the Pacific, and the winning of the war in the Atlantic. I can't say too much of the men who actually did the work.

I had the privilege during the last month or so of having a cruise with Admiral Mitscher, and he told me some of the things that happened on those carriers. I was on one of them and watched them work. It is a wonderful thing.

It is a great pleasure to me to have had

this privilege today of showing just what the country thinks about the contributions which these men made to the victory we have just won.

Thank you very much.

NOTE: The President spoke after presenting the citations in a ceremony on the South Lawn at the

White House at 12:30 p.m. A White House release of the same day noted that Admiral Marc A. Mitscher, Commander 8th Fleet, received the citations on behalf of aircraft carriers *Belleau Wood*, *Bunker Hill*, *Cabot*, *Essex*, *Hornet*, *Lexington*, *San Jacinto*, and *Yorktown*. Attending as guests at the ceremony were over a hundred officers and enlisted men who served aboard the ships during the period in which the citations were earned.

172 Remarks to a Group of Editors and Executives of the McGraw-Hill Publishing Company. *July 17, 1946*

IT IS NICE to have you here again. There has been considerable water under the bridge since you were here before. And some improvement in world affairs, and I might say also some improvement in domestic affairs. The world situation, I think, is slowly and gradually approaching a settlement.

I don't want to make any prophecies, but I think within a reasonable time we will be able to sign peace treaties with the Axis satellites; and then we will have only Austria and Germany to deal with, which will be a difficult job, but one which is not beyond the power of being dealt with.

The difficulties in China are still very, very bad, but we appointed a new Ambassador the other day, which will be very helpful to General Marshall, and we hope in the long run that peace will come out of the Chinese situation; in which case there is an unusual chance for a development in the Far East which I think will be exceedingly helpful to us from a trade standpoint.

Our future, I think, lies in the Pacific, from a foreign trade standpoint, if we can get peace in the Pacific—and I think we will eventually get it.

On the domestic front, the Congress and the President have not always been in agreement on domestic affairs. That has been customary after any great war. I don't

think—I don't want to bother you too much, but this fall the country will have another chance to express its viewpoint on policy, and I shall make it my business to make it very clear to the country what I think the policy ought to be; and if the country decides that it ought to be something else, why that is up to them.

I am hoping that we can get a price control bill eventually from the conference that will work. If that is the case, then we can continue our production program for the next 6 or 8 months in as good shape as it has been up to date; and price control will eventually take care of itself with the supply and demand.

I am not so sure that this flurry hasn't been of some help. We have had difficulty, of course, with the administrative features of OPA, in some instances. Maybe this will disclose some of those difficulties and give us a chance to iron them out in a manner which we could not have done previous to this time.

I am very sure that the country is not going backwards. It can't go anywhere but forwards. I think I told you when you were here before that when you arrive at that point where our production machine could produce for peace as it showed its ability to produce for war, we would have nothing to worry about for the next 10 or

15 years to come, and maybe longer.

In fact, if we can get peace in the world, and get a world understanding, I think I have told you before there is no limit to what we can do in this country. Of course, that is up to you, and up to the people to decide whether that is what you want or not. I think the people do want that. At least, that is my viewpoint, and I think I express the viewpoint of the majority of the people when I say that.

It is a pleasure to have you gentlemen here this morning. I haven't anything in particular to tell you that I think will be of great interest to you, except what I have just said.

I hope you will regard these remarks as

strictly off the record, and merely for your background and information, and your viewpoint and approach to the general picture, for your publications. I don't want to pose as a prophet, or the son of a prophet, but I am merely speaking to you as President of the United States, and expressing to you my viewpoint as I see it from here; and I think I have more sources of information than all of you put together.

I thank you very much for coming here.

NOTE: The President spoke in his office at the White House at 11:53 a.m. Before he spoke Curtis W. McGraw, Vice President and Treasurer, McGraw-Hill Publishing Company, Inc., made a few informal remarks in presenting the group to the President.

173 The President's News Conference of July 18, 1946

THE PRESIDENT. At the last press conference, in the grand rush, somebody lost his streetcar pass—[*laughter*—]and a transfer. I don't know if the transfer is any good now. [*More laughter*]

[1.] The following nominations are made of persons to be representatives of the United States of America to the second part of the first session of the General Assembly of the United Nations to be held in New York City, September 1946:

Warren R. Austin, United States Senator from the State of Vermont.

Tom Connally, United States Senator from the State of Texas.

Arthur H. Vandenberg, United States Senator from the State of Michigan.

Mrs. Anna Eleanor Roosevelt, of New York.

Sol Bloom, a Member of the United States House of Representatives from the State of New York.

In the absence of the President or the Secretary of State, Mr. Austin will be the senior representative of the United States of America to the second part of the first session of the General Assembly.

And I will nominate the following persons to be alternate representatives of the United States of America to the second part of the first session of the General Assembly:

Charles A. Eaton, a Member of the United States House of Representatives from the State of New Jersey.

Helen Gahagen Douglas, a Member of the United States House of Representatives from the State of California.

John Foster Dulles, of New York.

Adlai E. Stevenson, of Illinois.

That's all the announcements I have. Any questions?

Q. Mr. President, which ones of those will receive salaries, do you know?

THE PRESIDENT. I don't know whether

any of them will or not, except Austin—and he will not receive a salary until he resigns from the Senate.

Q. Mr. President, do the President and Secretary of State intend to be at the meeting for any period?

THE PRESIDENT. Yes, I think the Secretary of State will be there. The President will not.

[2.] Q. Mr. President, when do you expect to name the American delegates to the Paris peace conference?

THE PRESIDENT. I have not had a chance to consult with the Secretary of State yet to see. As soon as I have had the opportunity, they will be named.

[3.] Q. Mr. President, have you selected the members of the economic council yet, sir?

THE PRESIDENT. No. I thought I was going to be able to announce them this morning, but didn't quite get ready. As quickly as I can, I will announce them.

[4.] Q. Mr. President, have you made your choice of the Puerto Rico governorship?

THE PRESIDENT. No, I haven't. I hoped to be able to announce that this morning, but didn't quite get it. As soon as I can, I will make that announcement.

[5.] Q. Any comment on the Montana elections, sir?

THE PRESIDENT. No comment. [*Laughter*]

[6.] Q. Mr. President, you said several times that you will take part in the Missouri primary. Just what will you do in the Missouri primary?

THE PRESIDENT. Well, I am going to be home to vote in the primary. That is about as much a part as I can possibly take.

Q. Will you take any part in the Slaughter primary?

THE PRESIDENT. Yes, I am interested in that.

Q. For or against Mr. Slaughter, Mr. President?

THE PRESIDENT. I am against Mr. Slaughter. If Mr. Slaughter is right, I am wrong.

[7.] Q. Mr. President, would you care to comment, sir, on the results of the foreign ministers conference? Have you considered—

THE PRESIDENT. I think that the best comment would be to read Mr. Byrnes' speech the other night. He commented very fully. And Senator Vandenberg also commented very fully in the Senate on the subject. I think that covers it thoroughly.

[8.] Q. Mr. President, have you conferred with Mr. Pendergast on Slaughter?

THE PRESIDENT. I have.

Q. What was the conclusion? Is Mr. Pendergast going to break on the 50-50 agreement—

THE PRESIDENT. I don't know. I don't think Mr. Pendergast is going to be for Mr. Slaughter.

Q. That adds up to something in that direction, doesn't it?

THE PRESIDENT. That is for you to answer.

Q. He has already endorsed the other man?

THE PRESIDENT. I think he has endorsed Axtell.

Q. Axtell, yes.

Q. Mr. President, did you encourage Mr. Pendergast to endorse Mr. Axtell?

THE PRESIDENT. I certainly did. [*Laughter*]

Q. Mr. President, are you planning to make several speeches during the campaign period?

THE PRESIDENT. I don't know. It depends on what—on how the situation develops. If it becomes necessary, I shall do whatever is necessary to—to help the Democratic Party.

Q. Mr. President, for some of us who

aren't too familiar with this Slaughter-Axtell case, could you tell us on what issues you and Mr. Pendergast will oppose Mr. Slaughter?

THE PRESIDENT. Well, we just are going to nominate somebody else for the job. [Laughter] That's the only issue there is. As a member of the Rules Committee, Mr. Slaughter has been opposed to everything that I have asked the Congress to do. That is the principal reason.

[9.] Q. Mr. President, anything you can tell us about possible vacation plans, at this time?

THE PRESIDENT. No, I have no plans. I will probably go home on the 3d of August, instead of the 6th, for the election primary.

Q. Have you any choice in your own district—the fourth—in that—Bell's, isn't it?

THE PRESIDENT. I don't think Bell has any opposition. If he has, I haven't heard it.

Q. May be nominal, but he does have opposition.

THE PRESIDENT. I don't think he has anything to worry about.

Q. Same as Slaughter, Mr. President?

THE PRESIDENT. Well, we shall see.

Q. Mr. President, are you going home by train or plane?

THE PRESIDENT. I am going to fly home. I will fly back on the 6th. Mrs. Truman is going with me.

Q. Is she going by plane?

THE PRESIDENT. She is going with me on the plane.

[10.] Q. Do you have any plans for asking Congress for more funds for loan—

THE PRESIDENT. I didn't understand that question. I was interrupted. Please ask it again.

Q. I wondered whether you plan to ask Congress for any additional authorizations or appropriations for loan—

THE PRESIDENT. No—

Q. —foreign loans—

THE PRESIDENT. —I have no such intention.

Q. Mr. President, do you favor Judge Bell's bill for a hundred-million-dollar loan to the Philippines?

THE PRESIDENT. Yes.

Q. Mr. President, in saying you have no such intention for asking for more money for loans, does that mean you do not intend to ask for the one and a quarter billion more capital for that Export-Import Bank, that has been mentioned in the past?

THE PRESIDENT. No. I think that will come up in the next Congress automatically.

Q. Specifically there is no plan at all for an early request for a loan to Russia?

THE PRESIDENT. Not that I know of. I haven't heard about it.

[11.] Q. Mr. President, are you planning to name a successor to Chester Bowles?

THE PRESIDENT. Yes, when we get a law that requires that office to be filled, it will be filled.

Q. Do you think we will get such a law?

THE PRESIDENT. Your guess is as good as mine, Tony.¹ [Laughter]

Q. Do you care to tell us who that successor will be?

THE PRESIDENT. No. I will announce it at the time.

[12.] Q. Mr. President, going back to the possible campaign speeches, is it likely you will make one of these in New York State?

THE PRESIDENT. I have made no plans whatever. I have made no plans whatever.

Q. The situation is that—to repeat—that you will, as it were, take the stump if it becomes necessary, in behalf of the party?

THE PRESIDENT. That's right.

¹ Ernest B. Vaccaro of the Associated Press.

[13.] Q. Mr. President, do you think that the figures of rising prices since July 1st are—pretty well bear out your predictions you made in your speech, after the veto on the first OPA bill?

THE PRESIDENT. I think they do, very substantially. According to the New York Journal of Commerce, I think it is very conclusively proven.

Q. Do you think they are going still higher?

THE PRESIDENT. I am sure of it, unless we get an OPA bill.

[14.] Q. Mr. President, do you expect Mr. Hannegan to stay on as chairman through this campaign?

THE PRESIDENT. Why certainly. I have no reason to doubt that Mr. Hannegan will continue to be chairman of the Democratic National Committee. I think he is a good chairman.

Q. Well, I heard—there has been talk about his illness—

THE PRESIDENT. Well, I think Hannegan is a good chairman. I have no successor in mind for him. I want him to stay. That is about as strong as I can put it.

[15.] Q. Mr. President, Bishop Sheil of Chicago is in Rome. There has been some suggestion that he is there on a mission for you or for the Government.

THE PRESIDENT. I didn't know he was there. I knew he went there when he was made a cardinal, but I didn't know he had come back. The last time I saw him was in this office, on the way to Chicago, on his way back from Rome, but—

Q. This is Bishop Sheil.

THE PRESIDENT. Oh, I am speaking of a different party. No, I didn't know anything about Bishop Sheil being in Rome, either. I was thinking of the new cardinal of Chicago.

[16.] Q. Mr. President, recently a dele-

gation came to see you asking—requesting the recall of Mr. Myron Taylor; and at that time they came out and told us—going through the lobby—that you said he would come back when his mission was completed. Is there any—

THE PRESIDENT. I said that he would come back when peace had been consummated. That was the statement that I made, and that is true.

Q. You mean subsequent to the Paris—the impending Paris conference the—

THE PRESIDENT. No. I said when the world had reached a peace settlement, then that situation would not be necessary to continue.

[17.] Q. Mr. President, Jim Patton, who is one of the outstanding advocates of seizure in the farm implement labor situation, is coming in to see you today. Have you made any further decisions in the strikes against Case and International Harvester?

THE PRESIDENT. No. Those matters are being considered by the Secretary of Labor.

Q. No question of seizure at this point?

THE PRESIDENT. No.

[18.] Q. Mr. President, another local question—

THE PRESIDENT. Fire away.

Q. —have you ever met Mr. Axtell? Are you endorsing him—

THE PRESIDENT. I know him very well. I have known his family. I have known him all his life. He is a neighbor of mine. He lives down home.

Q. What's his first name?

THE PRESIDENT. Ed—or En—or something of that sort. [*Laughter*] What's his first name? [*More laughter*] What's his first name?

Q. Enos—E-n-o-s.

THE PRESIDENT. Enos—E-n-o-s. That's right. [*Continued laughter*]

Q. Any plans for the weekend?

THE PRESIDENT. Yes, just—I am going to stay in the White House.

Reporter: Thank you, Mr. President.

NOTE: President Truman's seventy-fourth news conference was held in his office at the White House at 10:28 a.m. on Thursday, July 18, 1946.

174 Statement by the President Upon Signing the Strategic and Critical Materials Stockpiling Act. *July 23, 1946*

I HAVE TODAY signed the Strategic and Critical Materials Stockpiling Act because it is important to the national interest that this Government have the power to acquire stockpiles.

It is only because of the overriding importance of this purpose that I am able to overcome my reluctance to signing a bill which reaffirms the application to stockpile purchases of the provisions of Title III of the Act of March 3, 1933 (47 Stat. 1520), known as the Buy American Act. Those provisions will not only materially increase the cost of the proposed stockpiles but will tend to defeat the conservation and strategic objectives of the bill by further depleting our already inadequate underground reserves of strategic materials. Furthermore, there can be a serious conflict between those provisions and the foreign economic policy which this Government is actively pursuing. It also seems to me that the application of the Buy American Act may frequently hamper the effective achievement of the essential purpose of the legislation which is to enlarge the stock of vital raw materials available within our borders in time of possible emergency.

The Buy American Act requires that only articles produced or manufactured from materials originating in the United States shall be purchased for public use. However, the Act also provides that exceptions to this rule may be made when Buy

American purchases are determined "to be inconsistent with the public interest or the cost to be unreasonable." This provision clearly indicates that the stockpiling program should not be used as a means of generally subsidizing those domestic producers who otherwise could not compete successfully with other domestic or foreign producers. Furthermore, to ensure that the necessary stockpiles are accumulated as rapidly as deemed advisable and with a minimum cost to the public, this Act should not be used as a device to give domestic interests an advantage over foreign producers of strategic materials greater than that provided by the tariff laws.

It is the policy of this Government to work for international action to reduce trade barriers. We have proposed to other countries a set of principles governing trade, and look forward to the successful conclusion of broad international arrangements embodying the essential principles of these proposals. Pending the conclusion of such arrangements, it is the policy of this Government to avoid taking measures that will raise barriers to trade or prejudice the objectives of the forthcoming discussions. We are asking other countries to follow similar policies.

The United States is opposed to governmental policies fostering autarchy, for itself as well as for others. Encouragement of uneconomic domestic production and un-

justified preferential treatment of domestic producers destroys trade and so undermines our national economic strength. A large volume of soundly based international trade is essential if we are to achieve prosperity in the United States, build a durable structure

of world economy and attain our goal of world peace and security.

NOTE: The Strategic and Critical Materials Stock Piling Act is Public Law 520, 79th Congress (60 Stat. 596).

175 Statement by the President Condemning Acts of Terrorism in Palestine. *July 23, 1946*

I HAVE LEARNED with deep regret of the destruction by a bomb of the building in Palestine in which were located the Palestine Government and the British Military Headquarters, resulting in the killing of approximately fifty men and women, soldiers and civilians. Every responsible Jewish leader, I am sure, will join me in condemning the wanton slaying of human beings.

At this time representatives of the United States Government are in London confer-

ring with representatives of the British Government as to steps to be taken to implement the Report of the Palestine Committee which recommended, among other things, the immigration of 100,000 Jews into Palestine.

Such acts of terrorism will not advance, but on the contrary might well retard, the efforts that are being made, and will continue to be made, to bring about a peaceful solution of this difficult problem.

176 Statement by the President Upon Approving Bills for River and Harbor Improvement and for Flood Control. *July 24, 1946*

I HAVE TODAY approved two bills, H.R. 6407 and H.R. 6597, authorizing the construction of river and harbor improvements. One of these bills is what is generally known as a River and Harbor Bill and authorizes projects primarily for the improvement of navigation, while the other is a Flood Control Bill. Both bills, however, authorize projects that would include other developments of rivers, including irrigation, water supply, and hydroelectric power development. The River and Harbor Bill authorizes projects which are estimated to have an ultimate cost of \$945,000,000. The Flood

Control Bill authorizes works estimated to cost \$952,000,000, of which \$772,000,000 is for projects under the jurisdiction of the War Department. These two bills bring the authorized backlog of river improvement work under jurisdiction of the War Department to approximately five billion dollars. Assuming that this estimate of five billion dollars is accurate, and experience would indicate that it is probably low, and assuming the new work can be prosecuted at the 1947 appropriation rate, it will take 35 years to bring to completion the river and harbor projects and 20 years to com-

plete the flood control projects now authorized.

In consonance with the intent of Congress as indicated in its consideration of these two bills, I take them to be primarily authorizations to enable the War Department to plan its future programs soundly, and I understand that there is no expectation of early appropriations. I do not intend to request funds for any of these projects during the current fiscal year. Financing, whenever made, must be based on budgetary requirements for that period.

Furthermore there are many unanswered questions in connection with the projects authorized by the two bills I have just signed. These questions must be satisfactorily answered before the construction authorized is initiated. I do not intend to approve any requests for appropriations or allocations of funds for the construction of any of these projects until all the important questions concerning them have been satisfactorily resolved, and until all of the Federal agencies directly concerned are sub-

stantially agreed upon the technical features involved.

With a shelf of projects that will take us many years to complete, it is obvious that we must give careful consideration to which projects are undertaken first. Accordingly, in connection with the preparation of budget estimates, the program must be reexamined annually so as to determine the present estimated cost and the present economic merits of the projects proposed for inclusion in that year's program.

For some years the majority of these authorized projects must be deferred. As to the more immediate future, I repeat what I said when the Director of the Office of War Mobilization and Reconversion issued his seventh report, that Government expenditures will be reduced and deferrable construction and public works projects using Federal funds will be studied with a view to saving strategic materials and to diminishing inflationary pressures.

NOTE: As enacted, H.R. 6407 is Public Law 525, 79th Congress (60 Stat. 634); H.R. 6597 is Public Law 526, 79th Congress (60 Stat. 641).

177 The President's News Conference of July 25, 1946

THE PRESIDENT. [1.] I have just signed the OPA bill, and I am sending a message to Congress which will reach there this evening. I will have that message ready for distribution within the next hour.

[2.] And I am going to announce the three members of the Decontrol Board within a day or two.

I am appointing Jesús T. Piñero as Governor of Puerto Rico. He is now Resident Commissioner of Puerto Rico.

And, I am appointing Dr. George W. Taylor to succeed O. Max Gardner as

Chairman of the Advisory Board for the Office of War Mobilization.

And, I am appointing Dr. John Davidson Clark, and Leon Keyserling, to the Council of Economic Advisers created by the Employment Act of 1946. The third member will be announced in a few days.

Q. What was that board again, Mr. President?

THE PRESIDENT. How's that?

Q. The full employment board?

THE PRESIDENT. The full employment board—Council of Economic Advisers is

the proper title—created by the Employment Act of 1946.

Q. Will Dean Clark be the chairman of that?

THE PRESIDENT. No. I haven't announced—I am not ready to announce the chairman as yet.

Q. Mr. President, is Mr. Oscar Chapman under consideration for—

THE PRESIDENT. Yes, he has been under consideration. I will announce the third member pretty soon—can't find it out now.

Q. Mr. President, will you repeat the second name?

THE PRESIDENT. Leon Keyserling—K-e-y-s-e-r-l-i-n-g—Leon H. is his name.

[3.] I have just signed an Executive order transferring the functions of the Office of Economic Stabilization to the Office of War Mobilization and Reconversion. And Mr.—Dr. Steelman will act as Stabilization Director for the time being.

Now I am ready for questions.

Q. How many jobs does that give Mr. Steelman?

THE PRESIDENT. Well, you'll have to ask him. I don't know.

[4.] Q. Mr. President, the Washington Post has proposed a civic sendoff for Secretary Byrnes as he leaves tomorrow. What do you think of the idea?

THE PRESIDENT. I think it's a good idea. I was expecting to see Mr. Byrnes off myself, as usual.

Q. At the airport, sir?

THE PRESIDENT. At the airport.

Q. Do you know what time he leaves?

THE PRESIDENT. Around noon, I think. It hasn't been officially announced as yet, but it's going to be around noon, I'm sure.

Q. At noon on Saturday, isn't it?

THE PRESIDENT. Saturday, yes.

[5.] Q. Mr. President, did you sign this OPA bill reluctantly?

THE PRESIDENT. Yes.

Q. Do you think there is any further—

THE PRESIDENT. I am sending a message to Congress, a copy of which you will have, which will set out all the answers to any questions that you have to ask on that.

Q. Mr. President, if you will pardon us—

THE PRESIDENT. That's all right.

Q. —we have got to send our stories to the wire services off before we get that. Could we quote that word "reluctantly"?

THE PRESIDENT. Yes, surely. It will be 2 hours before the message is ready. It will explain everything when you get it.

[6.] Q. Mr. President, do you plan to sign the tidelands bill?

THE PRESIDENT. I will attend to that when it gets up here. I haven't seen the tidelands bill yet. I have been reading the record of the debates in the House and Senate. I haven't seen the bill.

Q. Will you act one way or the other?

THE PRESIDENT. I will answer that when the tidelands bill comes to me.

[7.] Q. Mr. President, are you ready to announce the new Director of the Budget?

THE PRESIDENT. Yes. I forgot that. [*Laughter*] That is—I had so many things a while ago that some of my papers got lost. I will tell you who the new Budget Director is going to be, if I can find the papers down in here.

James E. Webb, of Oxford, N.C.

Q. Where is he from again, please?

THE PRESIDENT. Oxford, N.C.

Q. Could you tell us anything about his background, sir?

THE PRESIDENT. Yes, I have the whole thing here, but I will have it mimeographed and give it to you. It will be better to do that than give it to you. It's rather long.

[8.] Q. Mr. President, when you go home to Missouri to vote, do you think that

you will make a speech further endorsing the candidacy of Mr. Axtell?

THE PRESIDENT. I have no intention of making any speeches in Missouri while I am out there.

[9.] Q. Mr. President, how do you feel about some of the suggestions that have been made recently for a labor-management conference on wages?

THE PRESIDENT. I have it under consideration.

Q. Could we call that favorable, Mr. President?

THE PRESIDENT. Don't call it anything. I simply have it under consideration.

[10.] Q. Have you decided, Mr. President, whether you are going to sign the silver bill?

THE PRESIDENT. I haven't seen it. I don't know what it purports to—

Q. Provides for the purchase and sale of silver at 90½ cents—

THE PRESIDENT. I will attend to that when it gets up here. I haven't seen the bill. Until I have had a chance to analyze what it provides, I cannot discuss it.

[11.] Q. What is your reaction to the testimony that is coming out before the Mead committee on the Garsson¹ operations?

THE PRESIDENT. Well, I am sorry to see that things like that have to happen. We tried our best to prevent that thing from happening while the war was going on.

[12.] Q. Mr. President, in selecting the Decontrol Board, will you consider people who have been connected with the OPA or with the Stabilization—

THE PRESIDENT. No, I will not.

¹ The question referred to the inquiry by the Senate Special Committee To Investigate the National Defense Program concerning certain war contracts and other activities in which Dr. Henry M. Garsson and his brother Murray W. Garsson were concerned.

Q. It will have to be others entirely?

THE PRESIDENT. It's—it's a nonpacked jury. [Laughter]

Q. You are going outside the OPA for it?

THE PRESIDENT. That's right.

[13.] Q. Mr. President, what was your reaction to the complete rejection by Mr. Gromyko of the American plan for the international control—

THE PRESIDENT. I have no comment to make on that. I am still behind the American plan.

[14.] Q. Mr. President, could I ask another question?

THE PRESIDENT. Shoot.

Q. I wondered if, in the light of recent events in Palestine, you were still for the immediate immigration of one hundred thousand Jews?

THE PRESIDENT. I don't want to make any comment on that, because the Committee is in London now working on that very thing. They will probably make a report to me very shortly on the subject, then I will announce it.

Q. That Committee has not yet reported?

THE PRESIDENT. They report to me every day, but the final conclusion has not been reached.

[15.] Q. Mr. President, are you going to appoint an interdepartmental committee to study legislation to deal with disloyalty in the Government?

THE PRESIDENT. I hadn't given it any thought.

Q. Jennings Randolph is going to send you a letter on that today.

THE PRESIDENT. I haven't received it.

[16.] Q. Mr. President, you indicated a few days ago that if a good case were made, you would authorize release of income tax data in connection with the Mead investigation?

THE PRESIDENT. That is correct.

Q. Has that request been made, or have you acted?

THE PRESIDENT. I haven't been requested to act.

[17.] Q. Mr. President, your appointment of a Puerto Rican to be Governor of the island is the first time since 1898. Does that mean you want the Puerto Ricans to have a greater share in the government—

THE PRESIDENT. Why certainly.

Q. —of the territory?

THE PRESIDENT. Certainly. I sent a message to Congress on that some time back, which I would advise you to read. It covers the situation thoroughly.

[18.] Q. Mr. President, have you made up your mind on the Decontrol Board yet?

THE PRESIDENT. I have made up my mind on two of the members, and I am trying to get a third one to accept. Just as soon as I have that acceptance I will give you the members of the Board.

[19.] Q. Mr. President, in your message to Congress, do you have any request for further appropriations for OPA?

THE PRESIDENT. I have made that request already.

Q. How much did you ask for, Mr. President? I haven't seen that. Has that gone to the Hill?

THE PRESIDENT. It hasn't gone yet. It will go in today.

Q. Do you know—could you tell us—

THE PRESIDENT. No, I would rather not. Let the appropriations committee—it will require additional funds, of course.

[20.] Q. Mr. President, have you signed the third deficiency bill?

THE PRESIDENT. Yes. Yes, I signed that bill.

[21.] Q. Mr. President, do you plan to make another request in regard to the 65-cents minimum wage bill?

THE PRESIDENT. I have made at least a half dozen requests on that. If it is necessary to make another one, I will make it.

Reporter: Thank you, Mr. President.

NOTE: President Truman's seventy-fifth news conference was held in his office at the White House at 4:10 p.m. on Thursday, July 25, 1946.

178 Letters to Congressional Leaders Urging Enactment of the Housing Bill. *July 25, 1946*

Dear Sam:

Representatives of groups have waited upon me and members of my staff endorsing and urging the early passage of S. 1592, the General Housing Act of 1946, which is essential to provide houses at costs and rentals within the reach of the majority of veterans.

On repeated occasions I have not only expressed myself as favorable to the legislation, but requested its speedy enactment. I have today written Chairman Spence of the House Banking and Currency Committee,

urging the earliest practicable consideration of the measure.

I trust that you will exert your very best efforts in bringing about immediate consideration of this legislation, which is so essential to the welfare of the veteran and housing generally.

Very sincerely yours,

HARRY S. TRUMAN

[Honorable Sam Rayburn, The Speaker, The House of Representatives, Washington, D.C.]

Harry S. Truman, 1946

July 25 [179]

Dear John:

I am enclosing a copy of a letter which I have today written to Chairman Spence of the Banking and Currency Committee, which I believe is self-explanatory.

I urge you to exert your best efforts to see that this legislation, vital to the veteran and housing generally, is given the earliest practicable consideration. Time is truly of the essence.

Very sincerely yours,

HARRY S. TRUMAN

[Honorable John W. McCormack, The House of Representatives, Washington 25, D.C.]

Dear Mr. Chairman:

I urge upon you and your committee the earliest practicable action on S. 1592, the General Housing Act of 1946, which is essential to the over-all housing program and particularly necessary at this time to make effective the veterans' emergency housing program.

The veterans' emergency housing program involves two equally important tasks: (1) to expedite the production of building materials and finished homes, which is being

done under the Veterans' Emergency Housing Act of 1946, and (2) to make sure that these houses are made available in sufficient volume at sales prices or rentals which the majority of our veterans and their families can afford, which cannot be achieved without passage of S. 1592.

It is my considered judgment that S. 1592 is urgently needed. I am confident that if this bill reaches the floor the Congress, recognizing the need and the equity of adequate housing for the veteran, will pass the bill in question.

Time is of the essence. I therefore urge again the earliest practicable action on this matter by you and your committee.

Very sincerely yours,

HARRY S. TRUMAN

[Honorable Brent Spence, Chairman, Committee on Banking and Currency, The House of Representatives, Washington, D.C.]

NOTE: S. 1592, "A bill to establish a national housing policy and provide for its execution," was passed by the Senate and referred by the House.

Earlier, on May 22, the President approved the Veterans' Emergency Housing Act of 1946 (Public Law 388, 79th Cong., 60 Stat. 207) which provided for expediting the availability of housing for World War II veterans.

179 Special Message to the Congress Upon Signing the Second Price Control Bill. July 25, 1946

To the Congress of the United States:

I have today signed H.J. Res. 371 amending the price control laws and extending them for another year. I have signed this measure with reluctance.

I had hoped for a bill under which the government could with full confidence assure the people that prices would remain generally stable in these last few critical months of the transition to a free economy. This bill falls far short of that hope. I am advised, however, that it is the best bill the

Congress will now pass. It is clear, moreover, that it is a better bill than the one I was forced to veto on June 29. If that bill had become law, inflation would have been inevitable. While the present measure by no means guarantees that inflation can be avoided, it offers a sufficient prospect of success to warrant the making of a whole-hearted effort to keep our economy on an even keel until a flood of goods makes further controls unnecessary.

The behavior of prices and rents in the

last four weeks has given the country a frightening foretaste of what would happen to the cost of living without price and rent control. Even though many factors were operating to restrain prices during this period, prices have nevertheless risen steadily and ominously.

The Bureau of Labor Statistics index of 28 basic commodities in the primary markets has shown an increase of 24.8% in the 26 days since June 28, 1946 as against an increase of only 13.1% in the three years and 42 days between the signing of the hold-the-line order on May 17, 1943 and June 28, 1946. Of this increase, only about 2% can be attributed to the removal of subsidies. These, it must be remembered, are pre-wholesale figures. The impact of the increases has not yet been fully felt by consumers. Retailers have for the most part held to their O.P.A. prices so long as their old inventories lasted.

These increases have occurred in spite of the restraining influences at work to keep prices down. I had requested that the price line be held while the Congress considered the enactment of a workable law. Businessmen hesitated to build up inventories at high prices and thus risk serious loss if prices were rolled back to the June 30 levels. This risk was heightened by the prompt passage in the House of Representatives of a resolution which would restore the June 30 prices and rents. In addition, consumer resistance to increased prices developed immediately.

In view of the alarming rise in prices which took place under these conditions, it is not difficult to predict what would happen if a free market were operating without restraint.

These facts demonstrate that the continuance of effective price control is a vital necessity to our people. There are millions of families for whom a sharp rise in living costs

means immediate suffering. There are others who can get along well enough for awhile, but ultimately inflation exacts its toll from all.

The present legislation makes the task of staving off inflation even more difficult than it has been in the past. Clothing prices in particular will be difficult to hold at reasonable levels, and there are some other things that consumers will have to go without, or pay higher ceiling prices for them than they should. It is particularly unfortunate that many of these increases result from concessions to special interest pressures, rather than from the adoption of principles designed to expand production within a stable price structure.

The present bill, despite its inadequacies, is an improvement in many respects over the bill which I vetoed. In my veto message, I emphasized the disastrous consequences which would flow from the Taft Amendment and its companion the Wherry Amendment. These provisions are fundamentally changed in the present bill. A comparison of the two bills demonstrates this fact.

Although its professed objective was to increase production, the Taft Amendment would have required prices to be increased for already profitable industries even where no increase in production was possible. While the present bill will require some price increases where there will be no substantial expansion in production, it reduces materially both the number and the size of these increases.

It was mandatory under the Taft Amendment to increase prices so that all industries could earn the profits they earned in the year 1941 on every major item they make. This was a year of abnormally high profits. The base for measuring profits under the present bill is the year 1940, in which profits were more nearly representative of normal

peace-time operations. At the same time, the use of 1940 margins of profit offers every incentive for full production because 1940 was a highly profitable year.

Another serious deficiency of the Taft Amendment is corrected by the present bill. It is obvious that costs go down as volume of production goes up. Yet that amendment would have compelled the Price Administrator to base prices on current costs even though it was perfectly clear that in many industries volume would be increasing so rapidly that the use of current costs would result in exorbitant prices. The present bill permits adjustments to be made for increases in volume that can be reasonably anticipated to occur within three months. This change will cut down substantially the price increases on consumer goods which were out of production during the war.

Another major objection to the Taft Amendment was the damage it would have done to compliance and enforcement. O.P.A. has developed uniform dollar-and-cent prices for many important products. This is the most readily understood and easily enforced kind of pricing. Since prices under the Taft Amendment were based on each individual manufacturer's own 1941 price, uniform prices could not have been maintained in any case where prices in 1941 varied. The present bill cures this defect. The formula works from the average price for the industry in the base period, and this permits the continuance of enforceable dollar-and-cent prices.

The Wherry Amendment would have restored to wholesalers and retailers the percentage markups which prevailed on January 1, 1946. In the months since that time O.P.A. has not passed on to consumers all the increases granted to manufacturers. Instead, the distributors have been required to absorb some of the increases. This was a

fair policy because the sales volume was so high that even with reduced markups distributors were generally faring far better than in any recent peace-time year. The present bill gives to distributors the markups which prevailed on March 31, 1946. This change in date means that, without hardships to distributors, consumers are assured of considerably lower prices than would have been required under the Wherry Amendment.

Thus, price increases will be far fewer, and those that occur will be far smaller, under the present bill than under the vetoed measure. The saving will be most significant in the basic industries, like steel. Since price increases in basic materials mean price increases in all the industries using those materials, an alarming upward spiral of costs and prices on a wide front seemed inescapable under the vetoed bill. Now there is a sound basis for the hope that such a spiral can be prevented.

Furthermore, by drastically reducing the number and size of required price increases, the present bill minimizes two other dangers inherent in the vetoed bill. First, the administrative burden on the Office of Price Administration, while still serious, is not impossible, as it was under the vetoed measure. Secondly, the danger of widespread interruptions of production while industry is waiting for price increases is materially lessened. Unless, however, the Congress promptly provides O.P.A. with an adequate appropriation there are bound to be serious delays in the granting of required price adjustments. These delays would in turn mean slow-downs in production. And it is maximum production that will hasten the day when price control can safely be abandoned.

Finally, the vetoed bill contained a clause which would have destroyed wage stabilization by requiring the inclusion of unap-

proved wage increases as costs in the price increase formula. That clause has been omitted from the present bill. The invaluable work of the Wage Stabilization Board can therefore be continued.

I regret that the Congress did not comply with my request to refrain from compelling administrative changes that will make our task more difficult. Good government requires that a law be administered consistently in all the fields where it is applicable. Consistency of policy is difficult to achieve when, as in the present bill, the Congress has provided for division of responsibility. I am confident, however, that the Price Administrator and the Secretary of Agriculture will work closely together to maintain unified policies.

I shall proceed promptly to appoint the Price Decontrol Board provided for by this statute. We are all anxious, on the one hand, not to cling to these controls too long and, on the other hand, not to release them too soon. The standards prescribed by the Congress for removing and restoring controls are reasonable standards. As I said in my veto message, I have not been opposed to the creation of an independent board to resolve these difficult questions of timing the removal of controls. I propose to appoint as members of the Board men in whose judgment and fairness the Congress and the country will have complete confidence.

Price control is but one of the means of combatting inflation. Under the best of circumstances price control alone could not preserve economic stability. Because of the defects in the present legislation and because of the months of delay in its enactment, it is all the more apparent that more extensive use of the power to allocate scarce materials

may be required and that sterner fiscal and monetary measures than would otherwise be called for may prove to be necessary.

In order to bring spendable income more closely in balance with the supply of goods, attention must be given to strong anti-inflationary policies such as further reduction of Federal expenditures. If, despite such measures, inflation still threatens, consideration must then be given to the formulation of a more rigorous tax policy. Such a tax program would, I realize, be unpalatable at a time when we are doing our utmost to increase production, but if it is the only alternative to the ravages of inflation, we would have no choice.

I pledge the administration to do its full part in this struggle, but it must not be forgotten that the battle against inflation is not the government's battle alone—it is the people's battle as well. Consumers must vigorously resist exorbitant prices. Black markets cannot be suppressed solely by enforcement measures. Businessmen must, as controls are progressively removed, exercise self-restraint and forego the opportunity for short-run gain from profiteering in favor of the long-run advantage of stable prices and fair profits.

If it appears that all the efforts of the government and the people will not be enough under the present legislation, I shall have no alternative but to call the Congress back in special session to strengthen the price control laws and to enact such fiscal and monetary legislation as we need to save us from the threat of economic disaster.

HARRY S. TRUMAN

NOTE: As enacted, H.J. Res. 371 is Public Law 548, 79th Congress (60 Stat. 664). For the President's message vetoing the earlier bill, see Item 152.

180 Special Message to the Congress Transmitting a
Recommendation of the International Labor Organization.
July 26, 1946

To the Congress of the United States:

The Twenty-Seventh Conference of the International Labor Organization was held in Paris, France, from October 15 to November 5, 1945. Representatives of governments, employers, and workers participated in its deliberations. The United States was one of the forty-eight Member Nations represented at the Conference.

The Conference adopted, on November 5, 1945, Recommendation (No. 74) Concerning Minimum Standards of Social Policy in Dependent Territories (Supplementary Provisions). One hundred votes were cast in favor of adoption, and none were recorded in opposition.

This Recommendation sets forth minimum standards found desirable by the Conference for application in dependent territories to supplement the standards contained in Recommendation (No. 70) Concerning Minimum Standards of Social Policy in Dependent Territories which was adopted on May 12, 1944, by the Twenty-Sixth Conference held in Philadelphia and which was transmitted to the Congress of the United States on August 22, 1944.

In accordance with the Constitution of the International Labor Organization which provides that Recommendations adopted by the Conference shall be brought before the competent authority or authorities for the enactment of legislation or other action, I herewith transmit to the Congress the authentic text of this Recommendation (No. 74). I believe that the Congress will find the provisions of this Recommendation helpful in its consideration of problems of social policy in those territories and possessions of the United States to which it may be applicable.

I am also bringing this Recommendation to the attention of the Secretary of War, the Secretary of the Navy, and the Secretary of the Interior in order that they may transmit it for suitable action by the appropriate authority or authorities in those territories and possessions of the United States for which they respectively are administratively responsible.

HARRY S. TRUMAN

NOTE: The text of the recommendation is printed in House Document 749 (79th Cong., 2d sess.).

181 Letter to the National Commander, Veterans of Foreign Wars,
on Representation of Veterans at the Peace Conference.
July 26, 1946

My dear Mr. Stack:

I have given careful consideration to your thoughtful letter of July 11 with respect to the Peace Conference.

I am wholeheartedly in sympathy with

your observations concerning the grave responsibilities confronting the peacemakers and your comments relative to the period following Versailles. Both the Secretary of State and I share most sincerely your hope

that the aspirations of the common men and women of all nations should be the challenge and the guiding light of those at the peace table.

As you know, the Peace Conference will consider draft treaties which have been developed after months of difficult work by the Foreign Ministers of France, the Soviet Union, the United Kingdom, and this country, their deputies and their staffs. Included in the group assisting the Secretary of State have been officers of the United States Army and Navy who have had combat service in World War II.

The job to be done at Paris is to explain to representatives of the other seventeen governments the treaties which have been drafted by the Council of Foreign Ministers. This must be done by the technicians who are acquainted with the provisions of the treaties. After the Conference has submitted recommendations either as to amendments of the treaties as now drafted or as to additional matters to be included in the treaties, the four Foreign Ministers must meet to consider the recommendations and agree upon the final texts of the treaties. Enclosed for your information is a copy of a press release which explains the procedure in more detail.

I agree that the views and feelings of our veterans of World War II should be reflected in the position taken by our Government. I believe they will be so reflected and that they have been reflected in the prior negotiations. Any other situation would be intolerable. Our Delegate, the Secretary of State, must moreover represent every citizen of this country, and our final position must and will take into account the aspirations and views of all segments of our population. This process is democracy. I know that the Secretary of State shares these feelings and that he will carry out his grave responsibilities in that spirit.

I trust this letter makes clear that while it is impractical to adopt your suggestion, its spirit will motivate and guide our Secretary of State at Paris.

Sincerely yours,

HARRY S. TRUMAN

[Mr. Joseph M. Stack, Commander in Chief of Veterans of Foreign Wars of the United States, 150 William Penn Hotel, Pittsburgh 30, Pennsylvania]

NOTE: In his letter Mr. Stack suggested that at least one well-qualified veteran of World War II be included in the peace conference. His letter, released with the President's reply, is published in the Department of State Bulletin (vol. 15, p. 203).

182 Letter to the National Commander, American Legion, on Rehabilitation Problems. *July 27, 1946*

Dear Mr. Stelle:

The suggestions contained in your letter of July 11th for a conference on the subject of veterans' rehabilitation have been given serious consideration. I am grateful to you for your expressions in the matter.

It is agreed that continuous and energetic action must be provided in each community to meet the responsibilities of the whole

citizenry in caring for the problems of the veteran. Both General Bradley and General Erskine have been urgent in their appeals to the public in this regard. They have been in contact with the governors of the states, educators, employers, and with the veterans and civic organizations. I have been in close touch with the programs that these gentlemen have advocated.

Specifically, General Erskine, Administrator of the Retraining and Reemployment Administration, is directly charged with the development of community centers throughout the country. He has encouraged all civic organizations, including veterans' organizations, to cooperate at the community level to assist in the readjustment of veterans. I am sure that he would welcome any suggestions which you may have to make. Also, he would appreciate the cooperation of the American Legion in the operation of community advisory centers.

In addition, the National Housing Agency has requested and secured the appointment in the local communities of veterans' emergency housing committees. These have been organized in over four hundred cities with veterans' representatives on each.

As you know, I have been consistent in my endeavors to arouse the nation to our responsibilities in meeting the problems of the returned veteran. My deep gratitude to the veteran allows no other course.

At the present time I do not believe it is advisable to call the type of conference to which you refer. Various government agencies have advocated the establishment and maintenance of community programs for assistance to veterans. The adoption of the ideas presented to the communities can be aided by the cooperation of the local posts of the national veterans' organizations and local civic organizations.

I feel confident that I may count upon the American Legion to continue aggressively to maintain public interest in the welfare of the veteran.

Sincerely yours,

HARRY S. TRUMAN

[Mr. John Stelle, National Commander, The American Legion, National Headquarters, Indianapolis 6, Indiana]

NOTE: Mr. Stelle suggested that the President call a conference in Washington of leaders of veterans organizations, the American Red Cross, and the heads of appropriate Federal and State agencies in order to furnish guidance and planning to rehabilitation activities at the community level. His letter was released with the President's reply.

183 Statement by the President Upon Nominating Edwin G. Nourse as a Member of the Council of Economic Advisers.
July 29, 1946

I HAVE TODAY nominated Mr. Edwin G. Nourse to be a member of the Council of Economic Advisers, provided for by the Employment Act of 1946, and purpose to designate him as chairman.

I consider that this act constitutes a distinct and vitally important new step in the history of this country. It is the function of the Council to formulate and recommend national economic policies to promote employment, production, and purchasing power under free competitive enterprise.

One of its primary functions is "fact-finding." It will piece together a complete and consistent picture of the economic state of the nation. The next function of the Council will be to interpret all available facts and then to present the soundest possible diagnosis as to the state of the nation's economic health.

Our country is capable of maintaining an economy free from the evils of both inflation and deflation. With such an economy, our country can go forward to greater

heights of prosperity and full employment than have yet been achieved. This policy must be predicated upon a program of fair dealing and justice to all our people.

The Council will be in a position to present to the nation a clearer and more comprehensive analysis than we have ever had regarding the economic state of the nation

and all factors which tend to retard prosperity.

NOTE: Earlier, at his news conference on July 25, the President announced the appointment of John D. Clark and Leon H. Keyserling as the other members of the Council.

The first report of the Council, dated and released by the White House on December 18, is printed in Senate Document 6 (80th Cong., 1st sess.).

184 Statement by the President Concerning U.S. Membership in UNESCO. *July 30, 1946*

I AM GRATIFIED that Congress has passed the Joint Resolution authorizing me to accept membership for the United States in the United Nations Educational, Scientific and Cultural Organization. I attach the greatest importance to this agency.

UNESCO will summon to service in the cause of peace the forces of education, science, learning and the creative arts, and the agencies of the film, the radio and the printed word through which knowledge and ideas are diffused among mankind.

The government of the United States will work with and through UNESCO to the end that the minds of all people may be freed from ignorance, prejudice, suspicion and fear, and that men may be educated for justice, liberty and peace. If peace is to endure, education must establish the moral unity of mankind.

NOTE: As enacted, the Joint Resolution (H.J. Res. 305) is Public Law 565, 79th Congress (60 Stat. 712).

185 Special Message to the Senate Transmitting a Treaty and Protocol With the Philippines. *July 30, 1946*

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the treaty of general relations and protocol between the United States of America and the Republic of the Philippines signed at Manila on July 4, 1946. I transmit also, for the information of the Senate, the report of the Secretary of State with respect to that treaty and protocol.

In view of the unique relationship existing between the United States of America and the Republic of the Philippines and the

desire of our Government and people to further the interests of the Government and people of the Republic of the Philippines, I should be grateful for the earliest possible consideration of the treaty and protocol by the Senate.

HARRY S. TRUMAN

NOTE: The treaty of general relations and accompanying protocol were favorably considered by the Senate and after ratification entered into force October 22, 1946 (61 Stat. 1174).

The text of the documents and the Secretary of State's report, dated July 26, are published in the Congressional Record (vol. 92, p. 10455).

186 The President's News Conference of
August 1, 1946

THE PRESIDENT. [1.] I am sending a letter on the budget to all the heads of the executive departments and agencies—a copy of this will be available to you when you go out—asking them to cut expenses as much as possible.

And we will have a budget press conference tomorrow at 3 o'clock, in the Movie Room over in the east wing.

[2.] I have just sent down the name of Keen Johnson of Kentucky, to be Under Secretary of Labor.

And, I signed the bill creating an Under Secretary of State for Economic Affairs; and I appointed Mr. William Clayton to that job.

Q. What's that title again, Mr. President?

THE PRESIDENT. Under Secretary of State for Economic Affairs. And that's—

Q. Keen Johnson is Under Secretary of Labor?

THE PRESIDENT. Keen Johnson is Under Secretary of Labor, and Will Clayton is the Under Secretary of State for Economic Affairs.

Q. Mr. President, that's former Governor of Kentucky, isn't he?

THE PRESIDENT. Yes, he was Governor.

Q. K-e-e-n?

THE PRESIDENT. K-e-e-n. And without any "t" in the Johnson.

Q. Mr. President, you have two vacancies there, in Assistant Secretaries of State then?

THE PRESIDENT. I think so—I think so. I have no announcements to make on them. [*Laughter*]

Q. Mr. President, will Mr. Clayton's duties be much as they have been?

THE PRESIDENT. Just what they have been. Substantially what he has been doing right along.

I am ready for questions now.

[3.] Q. Mr. President, there is a story out of London this morning that Prime Minister Attlee has rushed back to London from Paris to confer with members of his Cabinet on American opposition to the British partition plan in Palestine, and that he has been in consultation with you by telephone.

THE PRESIDENT. Mr. Attlee has not been in consultation with me. And the statement which I made on the subject yesterday covers the situation, so far as I am concerned.¹ No further comment than that.

Q. There wasn't any trans-Atlantic—

THE PRESIDENT. No conversation with Mr. Attlee. He has been in conversation with Mr. Byrnes.

[4.] Q. Mr. President, do you favor the renomination of Senator McKellar?

THE PRESIDENT. I am not in Tennessee politics. I think you understand that. No comment on that.

[5.] Q. Mr. President, have you decided whether to sign or veto the tidelands oil bill?

THE PRESIDENT. I am having it studied now, and as soon as I come to a conclusion, you will be informed at once.

[6.] Q. Mr. President, the Honolulu

¹ The statement, released by the White House on July 31, follows:

"The President has been considering certain recommendations of the Alternates of the Cabinet Committee with regard to Palestine and has decided in view of the complexity of the matter to request Ambassador Grady and his associates to return to Washington to discuss the whole matter with him in detail.

"The President hopes that further discussions will result in decisions which will alleviate the situation of the persecuted Jews in Europe and at the same time contribute to the ultimate solution of the longer term problem of Palestine."

Advertiser this morning says that Pearl Harbor today is just as vulnerable as it was on December 7, 1941, because of the antiquated system of command out there. Would you care to comment on that?

THE PRESIDENT. No comment. I haven't been out there.

Q. Are you going? [*Laughter*]

THE PRESIDENT. No.

[7.] Q. Mr. President, the New York Times reports today from Tokyo that a member of General MacArthur's staff says that the United States Commercial Company, a Government corporation, is depriving others of badly needed textiles by mishandling silk exports from Japan. Has that been brought to your attention?

THE PRESIDENT. No. I know nothing about it. That's the first I've heard of it.

[8.] Q. Can you comment on Dillon Myer, who is not known particularly as a housing official?

THE PRESIDENT. He is a very able administrator. That's what we need, is an able administrator.

Q. Housing Commissioner, that is.

THE PRESIDENT. Yes.

Q. He is an old friend of yours?

THE PRESIDENT. I know his ability. I know his record, and I think he will make an excellent Housing Commissioner because he is a good administrator. That's the reason I appointed him.

[9.] Q. Mr. President, did you get a letter from Senator Johnson of Colorado, regarding David K. Niles?

THE PRESIDENT. No. I have had no such letter. He's sitting here. You might ask him. [*Laughter*]

[10.] Q. Mr. President, would you care to comment on the recent lynching in Georgia?

THE PRESIDENT. I made that comment yesterday, which was published in all the

papers of the United States. I have a copy of it available here, if you want it.¹

Q. Do you think a Federal antilynching bill is necessary?

THE PRESIDENT. I voted for it every time it came up, when I was in the Senate.

[11.] Q. Mr. President, when Mr. Justice Jackson returns in a few days, do you expect to talk to him about his little feud—

THE PRESIDENT. I expect to talk with him about his duties in Germany. I have no other object in talking to him.

Q. Do you expect him to return, sir?

THE PRESIDENT. That's what the papers say. Of course he's going to return to his duties. That's what he's coming home for.

[12.] Q. Has this Government made any inquiries as a result of the reports of religious and racial persecution in Yugoslavia and Albania?

THE PRESIDENT. They have not. This Government has not.

[13.] Q. Mr. President, do you expect to have the leadership of Senator Mead at your side during the next 6 years? [*Laughter*]

THE PRESIDENT. That was good. If you are discussing New York politics, I am not going to discuss New York politics this morning. [*More laughter*]

Q. What do you hear from Missouri politics, Mr. President?

THE PRESIDENT. Not a word. I have no comment on that, either. That's a good question, though. [*Laughter*]

¹ The President probably referred to a statement released by Attorney General Tom C. Clark. As reported in the New York Times for July 31 Mr. Clark said "I have talked with the President regarding this case and he has expressed to me his horror at the crime and his sympathy for the families of the victims. He has asked that the Department report its progress in the investigation and proceed with all its resources to investigate this and any other crimes of oppression so as to ascertain if any Federal statute can be applied to the apprehension and prosecution of the criminals."

Q. But no answer?

THE PRESIDENT. No answer, no.

[14.] Q. Mr. President, do you think you may go to Puerto Rico to attend the inauguration of Mr. Piñero?

THE PRESIDENT. I hadn't considered it. I would like to go, of course. I have been wanting to go to Puerto Rico for a long time, but I don't think there's any chance of my going.

[15.] Q. How about naming the atomic energy committee?

THE PRESIDENT. I am working on that now, and as soon as I have the proper acceptances, they will be announced. I can make no statement on it this morning.

Reporter: Thank you, Mr. President.

NOTE: President Truman's seventy-sixth news conference was held in his office at the White House at 10:30 a.m. on Thursday, August 1, 1946.

187 Memorandum on the Need for Reducing Expenditures.

August 1, 1946

To the Heads of Executive Departments and Agencies:

The present inflationary situation and the need for reducing the public debt make it imperative that expenditures be held at the lowest possible level. You have already been advised of the policies that will govern the 1948 Budget and I shall expect to see those policies reflected in your 1948 estimates as submitted to the Bureau of the Budget. This letter is intended to direct your attention to the need for economies in the fiscal year 1947.

Our present fiscal situation is a most serious one. We are faced with a continued substantial Budget deficit in the present fiscal year. Even those Federal expenditures which are most necessary have the effect of increasing inflationary pressures in the total national economy. We must do everything within our power to reduce inflationary pressures. One of the most effective means of doing this is to reduce Federal expenditures.

Toward this end I have sent letters dealing with specific programs to the heads of a few departments. I am asking the Secretaries of War and Navy and the Maritime Commission to reduce expenditures substantially

below the amounts they had previously programmed for this fiscal year. I am asking various agencies concerned with public works to postpone commitments and actual construction so far as possible, and to keep their expenditure programs within certain specified totals.

These specific steps must be accompanied by similar measures for all other Federal functions and activities which will reduce expenditures materially under the amounts previously estimated for the present year. Accordingly you are requested to review the expenditure program of your department or agency. In view of the present fiscal situation, you should not hesitate to eliminate work of low priority.

In addition to such major curtailments as may be possible, smaller economies must not be overlooked. In this connection it is particularly important that the Federal Government not compete with private demand for items in short supply. Such items as construction materials, automobiles, and office equipment should not be purchased before January 1947, except in cases of urgent necessity. In the case of such scarce commodities as lumber and textiles, procurement should be deferred to an even later date.

Salaries for personal services are the largest single item of expense in many establishments. As you know, it is the intention of the Congress and of the Administration that the recent civilian pay increase be absorbed to a very considerable extent. I believe this can be done if active attention is given to all feasible methods of improving personnel utilization. Economies and short cuts

should be introduced in all operations. Necessary reorganizations of staff should be completed quickly to promote efficiency in going forward with essential work.

I am counting upon your active support in this program.

HARRY S. TRUMAN

NOTE: For letters dealing with specific programs, see Items 194 and 195.

188 Veto of Bill Granting Veteran Status to Certain Former Members of Revenue Cutter Crews. *August 1, 1946*

To the House of Representatives:

I am returning herewith, without my approval, H.R. 1498, Seventy-ninth Congress, an act "To correct the naval record of former members of the crews of the revenue cutters Algonquin and Onondaga."

The purpose of this bill is to confer a naval status upon the entire period of service rendered by the crews of the revenue cutters Algonquin and Onondaga during the War with Spain. The crew of the former vessel had 73 days' naval service and the crew of the latter had 17 days' naval service prior to August 17, 1898, when, hostilities with Spain having ceased, the vessels were turned back to the Treasury Department.

In withholding his approval of a substantially similar bill of the Seventy-third Congress—H.R. 5018—President Roosevelt said, "it stretches the imagination to declare men on a revenue cutter for seventeen days on the Great Lakes in August 1898 to be entitled to all the privileges of Spanish War veterans."

By conferring a military status upon the members of these crews, the bill would make them eligible for pension based upon 90 days' service. Members of the Algonquin are now eligible for pension based on 70 days' service (at a somewhat lower rate than for 90 days' service), provided they meet other statutory requirements. The bill would also authorize death pensions for widows and children of those crew members; and other benefits to crew members such as hospital and domiciliary care and burial allowances.

During the wars in which the United States has engaged, large numbers of persons have rendered valuable assistance in a civilian capacity to our armed forces. In granting veterans benefits, Congress has long differentiated between active military service and civilian employment with the armed forces. Approval of the bill would constitute a departure from this policy which I cannot justify.

HARRY S. TRUMAN

189 Veto of Bill Concerning Title to Offshore Lands.

August 1, 1946

To the House of Representatives:

I return herewith, without my signature, House Joint Resolution 225, entitled "A Joint Resolution to quiet the titles of the respective States, and others, to lands beneath tidewaters and lands beneath navigable waters within the boundaries of such States and to prevent further clouding of such titles."

The purpose of this measure is to renounce and disclaim all right, title, interest, claim or demand of the United States in "lands beneath tidewaters," as defined in the Joint Resolution, and in lands beneath all navigable waters within the boundaries of the respective States, and to the minerals in such lands. The phrase "lands beneath tidewaters" is defined so broadly as to include all lands, either submerged or reclaimed, situated under the ocean beyond the low water mark and extending out to a line three geographical miles distant from the coastline or to the boundary line of any State whose boundary, at the time of the admission of the State to the Union, extended oceanward beyond three geographical miles. Lands acquired by the United States from any State or its successors in interest, or through conveyance or condemnation, would be excluded from the operation of the measure. There would also be excluded the interest of the United States in that part of the continental shelf (lands under the ocean contiguous to and forming part of the land mass of our coasts) which lies more than three miles beyond the low water mark or the boundary of any particular State.

On May 29, 1945, at my direction, the then Attorney General filed a suit in the United States District Court at Los Angeles, in the name of the United States, to determine the

rights in the land and minerals situated in the bed of the Pacific Ocean adjacent to the coast of California and within the three-mile limit above described. Thereafter, in order to secure a more expeditious determination of the matter, the present Attorney General brought suit in the Supreme Court of the United States. The case in the District Court was dismissed. I am advised by the Attorney General that the case will be heard in the Supreme Court and will probably be decided during the next term of the Court.

The Supreme Court's decision in the pending case will determine rights in lands lying beyond ordinary low water mark along the coast extending seaward for a distance of three miles. Contrary to widespread misunderstanding, the case does not involve any tidelands, which are lands covered and uncovered by the daily ebb and flow of the tides; nor does it involve any lands under bays, harbors, ports, lakes, rivers or other inland waters. Consequently the case does not constitute any threat to or cloud upon the titles of the several States to such lands, or the improvements thereon. When the Joint Resolution was being debated in the Senate, an amendment was offered which would have resulted in giving an outright acquittance to the respective States of all tidelands and all lands under bays, harbors, ports, lakes, rivers and other inland waters. Proponents of the present measure, however, defeated this Amendment. This clearly emphasized that the primary purpose of the legislation was to give to the States and their lessees any right, title or interest of the United States in the lands and minerals under the waters within the three-mile limit.

The ownership of the land and resources

underlying this three-mile belt has been a subject of genuine controversy for a number of years. It should be resolved appropriately and promptly. The ownership of the vast quantity of oil in such areas presents a vital problem for the nation from the standpoint of national defense and conservation. If the United States owns these areas, they should not be given away. If the Supreme Court decides that the United States has no title to or interest in the lands, a quit-claim from the Congress is unnecessary.

The Attorney General advises me that the

issue now before the Supreme Court has not been heretofore determined. It thus presents a legal question of great importance to the nation, and one which should be decided by the Court. The Congress is not an appropriate forum to determine the legal issue now before the Court. The jurisdiction of the Supreme Court should not be interfered with while it is arriving at its decision in the pending case.

For the foregoing reasons I am constrained to withhold my approval of the Joint Resolution.

HARRY S. TRUMAN

190 Veto of Bill To Authorize Exchange of Public Lands by the Secretary of the Interior. *August 2, 1946*

To the House of Representatives:

I return herewith without my approval the bill (H.R. 2423) to authorize the exchange of lands acquired by the United States for the Silver Creek recreational demonstration project, Oregon, for the purpose of consolidating holdings therein, and for other purposes.

The bill authorizes the Secretary of the Interior to exchange lands for other lands of approximately equal value when, in his opinion, such action is in the interest of the United States.

While I am in accord with the general purposes and objectives of this measure, it contains the same objectionable type of provision which prompted me to withhold my approval recently of the bill S. 1273. The bill S. 1273 provided, as does Section 1 of the present measure, that the title to any lands acquired thereunder shall be satisfactory to the Secretary of the Interior. This provision is objectionable and represents a material change in existing law involving an unwarranted deviation from the long-established

and manifestly sound practice under which the Attorney General is charged with the duty of examining the validity of titles to lands acquired by the government. This duty has for more than a century been vested in the Attorney General with respect to the vast majority of acquisitions and I see no reason to change this general practice which has proven so satisfactory through the years.

An advantage of this long standing policy has been that the agency of the government acquiring the land has the independent checking of the title by a disinterested agency. Moreover, there can be no question that the maintenance in the different departments of the government of staffs of attorneys for the purpose of examining title to land will result in duplication and additional expense, as well as less efficient administration. It is to avoid duplication of this character that the Congress passed and I approved the Reorganization Act of 1945.

For these reasons, I am constrained to withhold my approval from the bill.

HARRY S. TRUMAN

191 Statement by the President Upon Signing the Legislative Reorganization Act. *August 2, 1946*

THE LEGISLATIVE Reorganization Act of 1946, which I signed today, is one of the most significant advances in the organization of the Congress of the United States since the establishment of that body.

Both as United States Senator and as President, I have had occasion to observe some of the outmoded organizational and procedural traditions that have burdened the Legislative Branch. The problem of reorganizing and modernizing the Congress has been a peculiarly difficult one, and session after session the members of the Congress found themselves unable to take decisive steps in tackling the problem.

The Seventy-ninth Congress, however, approached the task with vigor and in a sound and orderly manner. I have nothing but admiration for the way in which the investigation of Congressional organization was conducted and particularly for the leaders who formed the special investigating committee and who wrote and sponsored the bill.

I realize that in the process of Congressional consideration, compromises and adjustments had to be made and some desirable provisions were deleted. However, the passage of this Act shows that progress can be made, and I anticipate that the Congress will continue to pay attention to those parts of the legislative reorganization problem not yet solved.

The present Act should permit easier and closer relations between the executive agencies of the Government and the Congress. The expanded staff of the Congressional committees and of the agencies in the Legis-

lative Branch can become a valuable link between the policy-making deliberations of the Congress and the practical administrative experience of the Executive Branch.

The Legislative budget and the provisions on the handling of appropriations will undoubtedly result in clearer and more realistic relationships between the income and expenditure sides of the budget. Further, the changes in the dates for the transmitting of the President's economic report and the report of the Joint Committee on the Economic Report, required under the Employment Act of 1946, will result in proper integration between the legislative budget and the national program for maximum employment. The Joint Committee will not present its findings and recommendations to the Congress before February first. The four revenue and appropriation committees in carrying out their new responsibilities under the Reorganization Act, therefore, will have the benefit of the Joint Committee's report for their overall appraisal and recommendations on Federal receipts, expenditures, debt and surplus. This timing is essential today when Federal fiscal policy is so closely related to the Nation's economic conditions.

One other provision of the bill deserves special praise—that which raises the salary of members of Congress from \$10,000 to \$12,500 plus an expense allowance of \$2,500. This is a long overdue step in providing adequate compensation for our Federal legislators.

NOTE: The Legislative Reorganization Act of 1946 is Public Law 601, 79th Congress (60 Stat. 812).

192 The President's News Conference on the Review of the 1947 Budget. *August 2, 1946*

THE PRESIDENT. [1.] We have got arrangements made for an expert to answer any technical questions, from now until Saturday night: Weldon Jones; telephone number is Executive 3300, extension 118. And Saturday his telephone number will be Executive 3308. So if anybody wants to ask him any technical questions about the Budget, you are welcome to do it.

All of you have this summary here on what has happened—what we expect to happen. And the first page (p. 384),¹ I think, sets out the situation in words of one syllable so most anybody can understand it. And those of you who have read the document from one end to the other, I think will not need any seminar; but if you want to ask any questions, I will try to answer them as best I can.

[2.] Q. Mr. President, right off for those of us who don't write this stuff regularly, in the first paragraph on the first page (p. 384), you predict a deficit of 1 billion, nine; and in the next paragraph it says when budget and trust accounts are consolidated on a strictly cash basis, and so forth, there will be more income than outgo. Could that be explained briefly?

THE PRESIDENT. Surely. The Budget is an estimated document. The actual cash transactions that take place with the Government are those that are on a 2 billion, 800 million income basis more than goes out.

Mr. Appleby: Mr. President, if I may interject there, I think this particular question has to do with the difference between the

trust accounts and the general—

Q. That's right.

Mr. Appleby: —the special.

THE PRESIDENT. That's right.

Mr. Appleby: And the trust accounts include social security funds which during recent years have been drawing in money from out in the country and in greater amount than they pay out. And the President was trying to get to the fact that the net of what is paid out to the country is less—less than we are taking from the country. But the difference here is just intended to differentiate between trust accounts which are not in the regular operating budget of the Government, and the general and special, which is the budget that we talk about.

[3.] Q. Mr. President, sir, is there a breakdown of the difference between the cash and the accounting budget, shall we say? I notice there is a deficit of 1.9 on an accounting basis, and a surplus of 2.8. Add the two together you get \$4.7 billion. Now what is the breakdown of the 4.7?

THE PRESIDENT. No you don't. You shouldn't add the two together, you should subtract one from the other.

Mr. Appleby: That's right.

THE PRESIDENT. That's right.

Secretary Snyder: The difference between the accounting and the cash would be the two together. One is the deficit and the other is an increase. The difference between the accounting and the actual cash transaction would be the two together.

THE PRESIDENT. Well yes, but I still say it's a difference in subtraction. But these trust accounts like social security, and those accounts, are—what do I want to say?—is an insurance—an insurance—actuarial reserve, which belongs to the people who pay

¹ Page references in parentheses, throughout this news conference, indicate where the subjects referred to may be found in the Statement by the President on the Review of the 1947 Budget as published herein (Item 193).

them in. The operation of the Government is an entirely different thing, which is set out in the table on page 5 (p. 387), I think, as completely and thoroughly as it can be.

Q. Well, I was assuming that part of this money comes from the manner in which you expend the—you handle the terminal leave that will go over——

THE PRESIDENT. That has nothing to do with it whatever. The handling of terminal leave is included in the \$1 billion. That has nothing to do with the 2 billion cash business at all.

[4.] Q. Mr. President, I have a question with regard to page 8 (p. 389). On page 8 (p. 389) of this statement you say that the Secretaries of War and Navy will reduce projected expenditures for the Army and Navy by a billion, six. Then you list some other reductions also. It is still not clear to me, in your deficit estimate have you made allowance already for this billion, six hoped-for reduction, or will this billion, six hoped-for reduction, if they do it, will that reduce the deficit even further?

THE PRESIDENT. No. That is included in the billion, nine.

Q. The billion, nine?

THE PRESIDENT. The net billion, nine includes that.

Q. Including this?

THE PRESIDENT. That's right, so that if they do it, there will still be no further reduction. That's right exactly.

Q. Somewhere there you have such a statement that throughout the fiscal year you will endeavor to effect further reductions. You mean even these you have anticipated, such as this 1 billion, 600 million you just mentioned?

THE PRESIDENT. That's right. It is going to be a most difficult thing to do with the 2 billion, two which we have already ordered into effect.

It's nice to talk about making reductions, but it's hell to do it! [Laughter]

[5.] Q. Mr. President, do you still hope to balance the budget, sir?

THE PRESIDENT. Yes I do.

Q. Do you think there's a chance in January of 1947? And despite this 1 billion, nine deficit?

THE PRESIDENT. Yes I do. Yes I do. Had the Congress listened carefully, we would have it balanced.

Q. How much of this, sir, can we use?

THE PRESIDENT. Of what?

Q. I mean the statement——

Q. Can we quote you on that?

THE PRESIDENT. I would rather you wouldn't.

Q. I mean without the Congress——

THE PRESIDENT. I would rather you wouldn't quote me on that, because I am having enough trouble; and they are going to come back after awhile.

Q. You don't want to predict for publication a full balanced budget?

THE PRESIDENT. No, I would rather not. Let's let it answer for itself when the end of the year comes.

Q. All right to say that you are still hopeful?

THE PRESIDENT. Yes, you can say I am still hopeful. That will be all right. It is much better than it was at the beginning; but I will say this, that under ordinary conditions we would have it balanced.

Q. Well, Mr. President, then it is correct to read into your statement here the implication that you do blame Congress——

THE PRESIDENT. No it isn't. No it isn't. I blame conditions over which nobody really had any control. Of course, the payment of terminal leave, the raising of six or seven hundred million dollars in the pay of the military personnel, and a great many other things, simply added to our troubles.

Q. I have reference to the statement at the bottom of the first paragraph on page 9 (p. 390).

THE PRESIDENT. First paragraph?

Q. It says without the expenditures not contemplated in January, the Budget would have shown a surplus.

THE PRESIDENT. That is true. There is no use blaming anybody for it.

Q. You don't blame anybody?

THE PRESIDENT. No.

Q. You say they are coming back?

THE PRESIDENT. Of course. We've got to have a Congress. The law provides for it. [Laughter] No, I am not announcing—

Q. Before January 3d?

THE PRESIDENT. No, I am not announcing a special session at this time.

Q. Mr. President, the budget would not have been in balance if Congress had enacted your full legislative program?

THE PRESIDENT. Yes it would.

Mr. Appleby: Yes.

THE PRESIDENT. Yes. They carried out a program of their own. They didn't carry out mine.

Q. Didn't you approve some of the expenditures, though, that are itemized in here on—

Q. —And which you did not recommend.

Q. —on page 6 (p. 388)?

THE PRESIDENT. Page 6 (p. 388)? That's the—I signed those bills, if that's what you mean. I recommended the Philippine War Damage Rehabilitation—the loan to the Philippine Republic. Those are the only two that I really recommended to the Congress. But I signed the bills which created the other.

Q. That establishes what I wanted to know.

Q. Did the others, Mr. President, repre-

sent the places where Congress did not listen as carefully as you had hoped they might generally?

THE PRESIDENT. Well, you can translate it that way, if you like.

[6.] Q. Mr. President, aside from that statement as to cash outlay, taking into consideration the trust accounts, you have here listed terminal leave pay as a cash outlay of 2 billion, four.

THE PRESIDENT. It has to be counted in this year.

Q. Yes sir. Well now, under the bill as you have it, it would not actually be paid out this year?

THE PRESIDENT. Well, the Treasury is responsible for its payment this year, and it's made on the day it becomes due.

Q. Yes sir; but as a matter of cash transaction—cash outlay—if you do not pay out this 2 billion, four, as the bill would keep you from doing—

THE PRESIDENT. Not in actual money, no.

Q. —then you would then have an actual cash or cash transaction, you would still have a balance on that, would you not?

THE PRESIDENT. For practical purposes and refunding the appropriations, that would be true, but we still owe it for this year.

[7.] Q. Mr. President, have you been given any explanation as to why taxes should have been underestimated by 25 percent?

THE PRESIDENT. Yes. Yes—[to Mr. Appleby]—tell him why.

Mr. Appleby: Increased dollar volume of business.

Q. Business has been better than anticipated?

Mr. Appleby: That's right.

THE PRESIDENT. That's right. Increased dollar volume of business.

Q. How about taxes?

THE PRESIDENT. I beg your pardon?

Q. How about tax receipts, are they—
THE PRESIDENT. That's what we are talking about.

Mr. Appleby: For the same reason.

Q. That statement about dollar volume takes into account the price increase—

THE PRESIDENT. Takes into account everything.

Q. It should be helpful in that respect.

Q. Mr. President, could I ask whether these tax receipt figures are based on any definite estimate of national income?

THE PRESIDENT. Oh yes, certainly. They are always based on—

Q. Could we have that figure?

THE PRESIDENT. —the national income. And it's only an estimate. It's a total volume of national income of about \$165 billion.

Q. May we use the 165 billion?

THE PRESIDENT. Yes, I think you can use it, but that is an estimate. Bear in mind it is the same as the estimate on which we based the first income, which was \$140 billion.

[8.] Q. Mr. President, could the Secretary of the Treasury tell us how far he intends to push this debt reduction policy, through the declination of the debt to the January balance?

THE PRESIDENT. It says that here in this document.

Q. I didn't see it. Has the Secretary of the Treasury any elaboration of that?

Secretary Snyder: That will be determined from month to month, as these maturities become due.

Q. Mr. President, on table 2 (p. 394) despite reduction—

THE PRESIDENT. What page is that?

Mr. Appleby: At the end.

THE PRESIDENT. Oh, at the end of the document.

Q. Despite reductions made from—between January to August in estimates, it

seems that the legislative branch, the judiciary, the Executive Office, and civil agencies and departments, all show budgetary increases between 1945 and 1946.

THE PRESIDENT. Salary raises, mostly.

Q. Is that entirely accounted for by salaries?

THE PRESIDENT. Surely, because personnel in nearly every instance has been reduced—there are, I think, seven hundred thousand fewer people on the payroll now than when the estimate was made.

Q. Are the salary raises supposed to be absorbed—

THE PRESIDENT. I don't know how you would absorb it in the judiciary. I can't fire the judiciary at five thousand dollars a head here. [Laughter]

Q. The point I am trying to get at—

THE PRESIDENT. It's being absorbed in every other department.

Q. Well, for instance, the civil departments and agencies are up, say, from 1945, from 1 billion, 58 to 1 billion, 683.

THE PRESIDENT. Well, the \$600 million in there is for Army pay.

Q. Civil departments and agencies?

THE PRESIDENT. Yes—oh no, not for civil departments. Along which line is that?

Q. About two-thirds of the way down, in that table 2 (p. 394), which says civil departments and agencies, budget 1945 is 1 billion, 58, and estimates for 1946 are 1 billion, 683—that would be—would not be the general trend, but rather a result of salary increases unabsorbed—

THE PRESIDENT. That's right, that's right. That covers the situation thoroughly.

Q. There is also another line there that says "pay increase not absorbed above" which would seem almost a contradiction. Why do you list an unabsorbed increase in one place—

THE PRESIDENT. One of them—the second

one is a cutback, isn't it?

Q. Yes.

THE PRESIDENT. The second one is a cutback, which answers your question, I think.

Q. It's a cutback from January, but still an increase over both 1945 and 1946.

THE PRESIDENT. I don't see how you get that, because there isn't an increase over 1945, there couldn't be, except for salary raises, because there are 600 thousand—between six and seven hundred thousand fewer people on the payroll than there were in 1945.

Q. I don't understand either, sir, but the figures seem to show that it is there.

THE PRESIDENT. I was trying to figure out how it got—I'll give you Mr. Appleby.

Mr. Appleby: This is pretty complex. Almost all personnel changes that have taken place have been in the defense category, and so these overall figures are not exactly responsive to the inquiry. I would say that the principal change in this billion, 683 is program change. Some increase in the Department of Labor, there is some increase in the Department of Commerce—increases scattered around. The CAA in the Department of Commerce has an increase in there of what we anticipated. There is \$3 million more for FBI in here than we anticipated in January. A few other items of that kind.

Q. The fact is, Mr. President, that non-defense employment payrolls have gone up?

THE PRESIDENT. In some places, yes. Not in every instance.

Q. Overall?

THE PRESIDENT. Not in every instance, by any means.

Mr. Appleby: No overall since January.

THE PRESIDENT. No.

Q. I saw some March figures which gave it about—an increase. I haven't checked it recently.

THE PRESIDENT. No, there hasn't been an

overall increase since January. There has been a decrease since January. The only place increases have been are in those increased programs in Commerce, and Labor, and the national defense—that is, War and Navy. There has been a tremendous cut—

Mr. Appleby: War Assets.

THE PRESIDENT. War Assets have been reduced.

Mr. Appleby: And the Veterans Administration. There have been substantial increases in the Veterans Administration and the Post Office. In some part, that increase in the Post Office is a bookkeeping increase. There were some people—about sixty thousand—who worked for the Post Office but were not technically and legally employees of the Government. That has been changed, so sixty thousand of the Post Office personnel is bookkeeping.

THE PRESIDENT. That is true.

[9.] Q. Mr. President, under international finance, I notice an increase of from 1 billion, 754 to 3 billion, 093. What is the explanation for that?

Mr. Appleby: That is a deferral.

THE PRESIDENT. That's right.

Mr. Appleby: In January we expected the money for the International Monetary Fund to be paid out of the Treasury in fiscal '46. The transaction was not completed because the Fund was not fully organized at that time, so that money will be paid out in fiscal '47.

THE PRESIDENT. It was about a billion—what was the figure?

Mr. Appleby: About a billion dollars even on that one item.

THE PRESIDENT. About a billion, four—some such figure as that—that was carried over from '46 to '47. That, I suppose, will be carried over in the '46 Budget.

Q. That does not include any estimated

increase in the withdrawals of the British loan then?

THE PRESIDENT. No.

Q. Mr. President, can that 2 billion, two figure on page 3 (p. 386) be broken down?

THE PRESIDENT. Yes, I can—2 billion, two that we have asked—that can be broken down—you can get that from the Budget department.

[10.] Q. Mr. President, I have one other question back again on this page 8 (p. 389), if I may, sir?

THE PRESIDENT. Page 8 (p. 389)?

Q. Yes sir. I did a little rough arithmetic on the basis—

THE PRESIDENT. Takes more than rough arithmetic to understand the Federal Government; it takes calculus. [*Laughter*] Go ahead.

Q. Well, you base your own proposed reduction in the Army and Navy at 1 billion, 650, and 60 million for Maritime Commission, and another 60 million, making 120. Now, in the event that those reductions could not be made, that would then make a deficit.

THE PRESIDENT. I am not counting that they could not be made. They are going to be made, or we'll break somebody's neck.

Q. Then my next question then from that is whether the Secretaries of War and Navy, for example, have got it laid out to make these reductions?

THE PRESIDENT. They have, yes.

Q. Well, Mr. President, I am just wondering what—how would they follow through these instructions which have been given to them, and what precisely is the force of that directive?

THE PRESIDENT. The force of the directive is that it will not be included in the estimate for payment by the executive branch of the Government. The Budget will not recommend the payment.

Q. Mr. President, could you say that the Secretaries of War and Navy concur in your expressed belief here that the reductions in their budgets can be accomplished without impairing the effectiveness of our military establishment?

THE PRESIDENT. Oh yes. These are mostly construction items, and things of that sort that can be easily deferred.

[11.] Q. Mr. President, on page 4 (p. 387), where you say "Programs which have increased are: national defense" and so forth, you list refunds. What refunds are those?

THE PRESIDENT. Tax refunds which were included in the last tax bill.

Q. The tax refunds are running higher than anticipated—

THE PRESIDENT. Yes.

Q. —in January?

Q. Could we be provided with some figures as to the rate of increase over the—

THE PRESIDENT. Yes, you can get those figures.

Q. From whom?

THE PRESIDENT. From the Treasury.

[12.] Q. Mr. President, there is a figure of 2 billion, two that has been saved by economizing, and on page 5 (p. 387) there is a figure of 2 billion. I would like to get that squared away.

Mr. Appleby: May I answer that, Mr. President?

THE PRESIDENT. Yes.

Mr. Appleby: There have been a series of economy actions by the President that in total have amounted to a very great deal more of appropriation or money. And there is also—except there is no duplication involved in this—2 billion, two of money that was available to the agencies for expenditure in various forms which has been returned to the Treasury by executive action. That money is definitely saved to the Treasury. That is strictly a financial transaction. Then

the 2 billion, two transaction is an expenditure control transaction. Regardless of how much money remains in the appropriation accounts, the President has directed the agencies to limit their expenditures in the fiscal year to a specific amount of money, and that will result in the reduction of the 2 billion, two. Now those two reductions together amount to a saving of 4 billion, four or so. Then there have been other actions taken by the President in recommending the rescissions of appropriations of \$58 billion during the year, and the reduction in the estimates requested by the agencies referred to in here of 7 billion; so that the President by his control of the budget in all these various ways has effected a reduction of funds available for expenditure by a total of \$70 billion during this year.

[13.] THE PRESIDENT. I want to say, instead of calling the Treasury for that tax refund business, call Mr. Jones, he will have the figures. The Treasury will furnish him the figures, and we will figure the—

Mr. Appleby: It might be, on that, that I could give a simple answer and save a telephone call. That is really just a percentage increase on the basis of increased receipts. On the income tax returns, people overpay, sometimes intentionally, but make a claim, so the more your receipts are the larger the refunds are. It is pretty automatic.

[14.] Q. Mr. President, I would like to continue that 2 billion figure. I am referring to the figure of 2 billion on page 5 (p. 387), which does not—which is not identical to the 2 billion—

Mr. Appleby: No.

Q. —figure on page 2 (p. 385). You say that 2 billion figure referred to is moneys transferred to—

Mr. Appleby: No, this is still another 2 billion.

THE PRESIDENT. That is another one—that

is still another one. You have got to read this very carefully. Go ahead, Mr. Appleby.

Mr. Appleby: Well, this is a sort of résumé of what has happened on the Government front since January. Certain programs were then estimated for expenditures anticipated. Since then there have been changes, such as terminal leave, increase in veterans' programs, amounting in all to 1 billion, eight.

Q. That's the point I originally raised. The figure elsewhere is stated as 2 billion, two.

Mr. Appleby: No, that 2 billion, 200 million is the saving of money already available for expenditures made by Executive action, and is an entirely different sum of money.

[15.] Q. Mr. President, is there any estimate—even a rough one—as to how much it has cost the Government to pay higher prices for the goods and services it has to buy?

THE PRESIDENT. No, we haven't made an estimate on that.

Q. Well, Mr. President, that raises the question of what kind of price levels are presupposed in this?

THE PRESIDENT. Well, the average price level is presupposed in this, and we are anticipating not a greater increase than 1 percent a month.

[16.] Q. Mr. President, have you any figure showing about the number of Government employees in civilian agencies where reductions are expected in the next 2 or 3 years or so, because of the economy changes you desire?

THE PRESIDENT. No. We are trying to carry out the mandate of Congress and absorb the price raises in decreased personnel in those agencies which are not increased by the Congress itself. It's a difficult job, but we are trying to do it.

[17.] Q. On the international expendi-

tures for budgetary purposes, as I understand it, \$950 million for the International Monetary Fund will be in interest-free bonds, is that correct?

Mr. Appleby: Yes.

THE PRESIDENT. That's right.

Q. But it's being charged against the '47 budget as a cash expenditure?

THE PRESIDENT. It was expected to be charged against the '46 budget, but we didn't get around to it, so it had to go in the '47. Just like the terminal leave pay, it has to be charged against this year's business.

[18.] Q. Mr. President, may we use as background, without attributing it to you, that statement about the average price level presupposed is the average price level, and you don't anticipate that to go over 1 percent a month?

THE PRESIDENT. You need not attribute that to me, but it is the anticipated situation. If we want to hold the situation in that line, it will take this budget, price control, and every other anti-inflationary thing that we can use to hold that line. I don't know whether we can hold it or not, but we are going to try to do it.

[19.] Q. This increase in international financial obligations, it runs considerably more than the 950 for the International Monetary Fund. Is there any other major item in there contemplated; for instance, such as the question you were also asked about the prospective national income?

THE PRESIDENT. No, it is not included—

Mr. Appleby: Export-Import Bank.

THE PRESIDENT. Export-Import Bank is the rest of the thing. That is, of course—that whole thing is two banks, the Export-Import Bank and the International Bank.

Q. You do not include in that figure, though, the 1 billion and a quarter which you once informed Congress that you would

ask Congress for at a later date?

THE PRESIDENT. That is not included, because it was not asked for.

Q. Is the British loan included in this—in its entirety included in the 12-month period?

THE PRESIDENT [*to Mr. Appleby*]. Is it?

Mr. Appleby: No. This is what will be drawn down under loans, as far as we know, and it is not thought desirable to go any further than to say that this anticipated legislation drawn down for all these items are included.

THE PRESIDENT. It's only that part—we have only included that part of the British loan which we knew would be spent in this year.

Q. How much is that?

THE PRESIDENT. I don't know. I don't know the exact figure. The Treasury has been authorized to set up a \$300 million credit for the British at the present time.

[20.] Q. Mr. President, at the bottom of page 2 (p. 385) you say, "Many of us are not yet satisfied with the progress made." Now on page 3 (p. 386) you say, "I shall use all the powers available to the Executive branch." I am wondering—

THE PRESIDENT. They mean just exactly what they say. You can't translate them into anything else except exactly what they say.

Q. Yes. I just wondered if you had any thoughts as to the necessity for increasing the power of the executive branch of the Government over the budget?

THE PRESIDENT. I don't think it needs to be increased.

Q. You think it's adequate?

THE PRESIDENT. Yes.

Q. Mr. President, in that connection, page 3 (p. 386) at the bottom, you speak of letters you are addressing to the heads of agencies—

THE PRESIDENT. They will be released—they will be for release at the same time this document is for release.

Q. Yes sir. Well now, any economies that result from the matter that you put into those letters will be additional to what is—I mean——

THE PRESIDENT. No, that is included in this.

Q. That is already anticipated?

THE PRESIDENT. That is already anticipated, that my suggestions will be carried out.

Q. Yes sir.

[Pause]

THE PRESIDENT. You are certainly not out of questions at this stage, are you? [Laughter] I am anxious for you to see the thing and understand it. We tried to put it in as clear a statement as possible, but we want everybody to have access to the actual figures, to understand it as we think we do. So I want you to be free with your questions, both to me and to Mr. Jones. There is nothing in here—there is no double-talk in this message at all. It means exactly what it says.

[21.] Q. Mr. President, based on price levels existing at the present time, did you say 1 percent a month?

THE PRESIDENT. Yes—substantially. We have tried to base it on what we anticipated would be the average price level for the year.

Q. Well, it seems that you will have a cash surplus; that is, the cash transactions will produce a 2 billion surplus. Will that mean that you can pay off 2 billion, eight more of the debt?

THE PRESIDENT. No, because they are trust funds. That has nothing whatever to do with paying off the debt. Those trust funds belong to the people who pay the money in. You can't use it for anything else. But it

will take that much money out of circulation.

Q. You are deliberately refraining from claiming a cash——

THE PRESIDENT. Yes.

Q. ——balance apart from that?

THE PRESIDENT. Why certainly. I want you to understand that the budget and the operation of the Government is an entirely distinct thing from those trust funds, but we are stating that, to show that actually there will be more money turned in that will be paid out which we can turn into credit, because that would be paid in, in any case.

Q. And the situation that exists when you leave out the trust funds—take the terminal leave pay not to be made a known cash payment——

THE PRESIDENT. We are accepting that as a cash payment for this year, charged against the budget for this year.

[22.] Q. Mr. President, what was the explanation why sales of surplus material and plants are running somewhat lower than you expected—anticipated in January?

THE PRESIDENT. We had such difficulty handling the surplus property program. That is the reason for it. We have had so many hampering things in the way of priorities, and so forth, it was almost impossible to transact business with surplus property. In fact, General Gregory got so disgusted with it, it made him sick, and he had to quit. It would make anybody sick if you tried to do it, but we are trying to do the best we can. This property deteriorates every day we have it, and everything that has been done in the sale of this property has caused a loss, just like any other bankrupt outfit. That's what it amounts to.

[23.] Q. Mr. President, do you expect to ask the next Congress for the billion and a quarter for the Export-Import Bank?

THE PRESIDENT. We'll see what the situation—how the situation develops, and if it's

necessary, I will ask for it, and if it isn't, I won't.

[24.] Q. Mr. President, the direct taxes on individuals I notice jumped from 12,874 up to 18,367. That looks like almost a 50-percent increase.

THE PRESIDENT. What table is that in?

Q. Table 2 (p. 393).

Mr. Appleby: Receipts.

Q. Some other factor there, besides this jump from —¹ to 65 that explains that?

THE PRESIDENT. That is reflection of higher income. That's what that is. More people getting money enough to pay taxes, and the dollar increase in value, which increases the income.

Q. I thought there might be some other factor, in view of the very drastic—very sharp increase there?

THE PRESIDENT. No. No, there is not.

Q. If there were—if that were the only explanation, is there any clarification—

Q. Mr. President, wouldn't the direct tax on corporations reflect a sharper increase than was shown? It's almost a 50-percent increase on individuals, where it's considerably less than that for corporations.

THE PRESIDENT. A tremendous cut in the corporation tax by the last Congress, if you will read that tax bill.

Mr. Appleby: The graduation figure in the personal tax would make a difference, you see. As incomes are higher, the percentage of income paid in taxes goes up. That is no longer true with respect to corporations.

[25.] Q. In that same table, Mr. President, under national defense, there is a rather large item classified only as "other" 2 billion, six. I wonder if we could get that?

THE PRESIDENT. Yes, I think you will find those things listed—what that includes—over

on page 2 (pp. 385–386). It tells exactly what those things are. That includes the veterans' increases and the pay increase for the Army, and things of that sort.

Mr. Appleby: Well, Mr. President, there is the War Assets Administration in there, and foreign surplus disposal, and defense aid, some wind-up of lend-lease. Again, some of that is a deferral from '46 where transactions did not occur in '46.

THE PRESIDENT. Don't get the idea that national defense is just confined to the Army and Navy, because it's included in nearly every department of the Government. In total war it takes every department of the Government in the national defense; and I don't want any confusion about that, because the first objective of everybody who wants to reduce expenditures in Government is to cut the Army and Navy to the bone, because they don't vote. They do now, but they didn't hitherto.

Q. That also includes UNRRA expenses?

THE PRESIDENT. Yes, it includes UNRRA. That's the National Defense Act.

[26.] Q. Mr. President, your statement on taxes is in sharp contrast to the Republican National Committee which predicted that they could effect a 20-percent reduction in taxes next year.

THE PRESIDENT. I sent for the fellow who made that statement, and he couldn't tell me how he would do it. I talked to him on the subject. I was very anxious to have him point out to me just how he could do it. He couldn't tell me. He had no explanation. It was just a political statement, easy to make but hard to carry out.

Q. What day was it you saw him?

THE PRESIDENT. I beg your pardon?

Q. Knutson you are referring to?

THE PRESIDENT. Yes, day before yesterday, I think.

Q. Can we use that?

¹ Official Reporter's transcript illegible.

THE PRESIDENT. No you can't—it's off the record. I promised him I wouldn't tell you about it. It's off the record entirely. You talk to him about it, maybe he can tell you how he did it. He couldn't tell me.¹

Q. Mr. President, isn't this sharp revision of estimated tax receipts going to add to these tax returns?

THE PRESIDENT. I shouldn't be surprised, but we are trying to tell you the truth, regardless of what the results will be.

[27.] Q. Mr. President, what was the estimated loss in revenue by reason of repeal of the excess profits tax in the last fiscal year? Have you been given any figures on that?

THE PRESIDENT. Yes. Neighborhood of 5 billion.

Mr. Appleby: It shows returns were about

¹ See Item 215[2].

6, I believe, but I think under present conditions, if we had had the excess profits tax still on the books, it would amount to a good deal more than that.

THE PRESIDENT. In my head I had it somewhere that it was about 5 billions.

Well, gentlemen?

Reporters: Thank you, Mr. President.

THE PRESIDENT. We want you to be entirely clear in your mind about this, so that is the reason why we have this special telephone number that you can call over the weekend.

NOTE: President Truman's seventy-seventh news conference was held in the Movie Room at the White House at 3 p.m. on Friday, August 2, 1946. The White House Official Reporter noted that John W. Snyder, Secretary of the Treasury, John R. Steelman, Director, Office of War Mobilization and Reconversion, James E. Webb, Director, Bureau of the Budget, and Paul H. Appleby, Assistant Director, were present at the conference.

193 Statement by the President on the Review of the 1947 Budget. *August 3, 1946*

IN ACCORD with previous practice I present at this time a review of the Federal Budget for the fiscal year 1947, as well as actual figures for the fiscal year 1946. This revision of the January Budget estimates takes into account not only the action on appropriations which the Congress has just completed, but also other new legislation adopted since January and changes in the economic outlook. In view of the mounting inflationary threat, I have instructed Federal agencies to take drastic action to hold down expenditures and keep the expected deficit to the minimum. This Review reflects the expected results of such budgetary action.

1. *Summary: Budget Trends and Budget Policy*

Total budget expenditures for the fiscal year 1947 are now estimated at 41.5 billion dollars, and net receipts at 39.6 billion dollars, leaving an estimated budget deficit of 1.9 billion dollars.

When budget and trust accounts are consolidated on a strictly cash basis, the Federal Government in the current fiscal year will take in 2.8 billion dollars more in the form of taxes and similar cash receipts from the public than it will pay out to the public. In spite of a deficit in the Budget, there will thus be a net absorption of purchasing power

by the Federal Government in the fiscal year 1947.

The situation has changed materially since the January Budget was issued. Both expenditures and revenues are higher than were estimated then. The January Budget estimated a deficit of 4.5 billion dollars for the fiscal year 1947. I now expect a deficit of less than half that amount.

As I anticipated in my statement of April 11, the budget results for the fiscal year 1946 were much better than expected in January. Then a deficit of nearly 29 billion dollars was expected, about 8 billion dollars greater than actually occurred.

For the two fiscal years 1946 and 1947 combined, the budgetary improvement over the January estimate is very striking. At that time it was estimated that the deficits for the two years would total 33 billion dollars. An aggregate deficit of 22.6 billion dollars for the two years is now expected—a reduction of one-third. As a result the January estimate of a 271-billion-dollar public debt on June 30, 1947, is now reduced to 261 billion dollars, or 10 billion dollars less.

In less than two years the budget deficit has been cut from one of 53.9 billion dollars in the last full year of war to one of 1.9 billion dollars in this, the first full year after the end of fighting. This cut in the deficit reflects a substantial reduction in Government expenditures, with taxes maintained at a high level.

Federal outlays will be reduced from the 100-billion-dollar wartime peak to 41.5 billion dollars in the fiscal year 1947—an expenditure still heavily loaded with war-related outlays. Revenues are expected to decline much less than expenditures—despite the effects of the Revenue Act of 1945—from a 46.5-billion-dollar wartime peak to 39.6 billion dollars. The contraction in wartime expenditures reflects more than a 90 percent

cut in munitions procurement, rapid demobilization of the armed forces and considerable curtailment in civilian Federal personnel.

The strength of the armed forces has been reduced from a wartime peak of 12.3 million to the present level of about 2.7 million; it will be further reduced by at least another million by June 30, 1947. The total number of Federal civilian employees in the continental United States has been reduced from a peak of 3 million to 2.3 million. I expect a further substantial reduction during the fiscal year 1947 despite the important increases required by the program of veterans' services and surplus disposal activities.

This contraction in wartime budgets has been achieved through the concerted and joint effort of the Congress and the Executive agencies.

The budget recommendations which I have transmitted during this session have been based on severe scrutiny of 34.2 billion dollars of agency requests, which I reduced by 22 percent to 26.5 billion dollars. The Congress reduced them further in appropriating 24.9 billion dollars. (These figures exclude 7.8 billion dollars of indefinite appropriations for interest on the public debt, refunds, and various smaller items.)

Furthermore, the Congress has, upon my recommendation, rescinded during the last year 58 billion dollars of wartime appropriations and authorizations. In addition to the formal rescissions, we have, through budgetary processes, succeeded in securing the transfer of more than 2 billion dollars from special accounts to the Treasury surplus fund and miscellaneous receipts. These amounts otherwise would have been available for expenditure.

Many of us are not yet satisfied with the progress made. It must be recognized, however, that not only war but the aftermath of

war and the transition to peace are very expensive.

National security and international commitments compel us to maintain a strong military establishment. Our participation in international organizations, in the occupation of enemy countries, in international finance and relief helps to build the secure peace we all desire. The most destructive war in all history demands a commensurate constructive effort to achieve real peace. The domestic aftermath of the war, which includes care of war veterans, interest payments on the huge war debt, and many other such activities, requires tremendous sums.

Expenditures for national defense, interest on the public debt, tax refunds, veterans, and international finance and relief, account for 86 percent of the budget total. The size of these programs makes it vital to exercise the utmost economy. During the years of fighting, financial considerations had to be subordinated to victory with the least sacrifice of lives. This urgency is no longer present. Today Government expenditures can and must be scrutinized minutely to obtain the maximum economy. The present inflationary situation makes it imperative that expenditures be cut to the minimum compatible with the responsibilities of Government. All deferrable programs must be postponed.

Recent legislation has added considerable amounts to Federal expenditures for the present fiscal year. I shall use all the powers available to the Executive branch for reducing expenditures which are not directly determined by legislation and which can be postponed or reduced without serious harm to national security and welfare.

These measures of budgetary control will, in the aggregate, keep expenditures in the current fiscal year at least 2.2 billion dollars below what they otherwise would have been.

I have directed the Secretaries of War and Navy to curtail military expenditures to the level contemplated in the January Budget, except for terminal leave pay, and certain additional naval programs which the Congress authorized upon my recommendation. My action requires the War and Navy Departments to offset the recent military pay increases by corresponding reductions in other areas. In addition, I have instructed the Secretaries of War and Navy to examine the feasibility of still further reducing the military programs without impairing national security and the ability to fulfill our international commitments.

In view of the rapidly mounting payments for veterans' pensions and benefits, the Administrator of Veterans Affairs has been asked to review and tighten certain standards for such payments in order to protect both the rights of deserving veterans and the national pocketbook.

I am addressing letters to the heads of those agencies which have direct charge of public works, and also to those which have responsibility for grants-in-aid or loans, requesting them to take all measures to secure the postponement of public works at the present time so that the Government competes as little as possible for scarce labor and materials. I have also given instructions to postpone all purchases of automobiles, office equipment, and other items in short supply except in emergency cases.

Furthermore, various agencies will absorb the major part of the recently enacted pay increases.

These measures of budgetary control, achieved by searching and drastic action, reflect the maximum economies I have been able to secure by executive processes at the present time.

In view of action the Congress has taken on price controls, I must repeat—with added

emphasis—my recommendation of last January that no tax reduction be made until the inflationary situation has passed.

Budgetary policies have become a major weapon to fight the kind of "boom and bust" which followed World War I.

2. *Original and Revised Expenditure Estimates*

I am deeply concerned by the increase in the present estimates of expenditures over the tentative estimates which I transmitted in January. Total budget expenditures for the current fiscal year, including net outlays of Government corporations, were then estimated at 36 billion dollars. This estimate was based on then existing legislation and on legislation which I recommended in the same message.

The present estimate of total budget expenditures of 41.5 billion dollars is 5.5 billion dollars higher than the January figure. Programs which have increased are: national defense, refunds, veterans' programs, international finance, housing, and postal service. These combined programs are now estimated to cost 7.5 billion dollars more than six months ago. The increases are attributable to new legislation, deferrals from last year, and the need to expand certain programs more than was expected. On the other hand, expenditures for all other activities of the Federal Government are now expected to decline by 2.0 billion dollars. The difference is a net increase of 5.5 billion dollars, shown in the following tabulation which is derived from Table 1:

EXPENDITURE ESTIMATES FOR THE FISCAL YEAR 1947
[In billions]

<i>Expenditure program</i>	<i>Budget document estimates January, 1946</i>	<i>Budget review estimates August, 1946</i>	<i>Change since January</i>
Increased programs:			
National defense.....	\$14.8	\$18.5	+\$3.7
Refunds	1.6	1.8	+0.2
Veterans pensions and benefits.....	4.4	6.2	+1.8
International finance.....	2.8	4.2	+1.4
Housing, excluding defense housing.....	.....	0.2	+0.2
Post Office Department (general fund).....	.....	0.2	+0.2
Subtotal, increased programs.....	<u>23.6</u>	<u>31.1</u>	<u>+7.5</u>
Decreased or unchanged programs:			
Interest on the public debt.....	5.0	5.0	.....
Aids to agriculture, including subsidies.....	1.9	1.2	-0.7
Social security, relief, and retirement.....	1.6	1.2	-0.4
General public works program.....	1.6	0.9	-0.7
General government.....	2.1	1.9	-0.2
Pay increase not absorbed.....	0.2	0.2	.....
Subtotal, decreased or unchanged programs.....	<u>12.4</u>	<u>10.4</u>	<u>-2.0</u>
Total expenditures and net change.....	<u>36.0</u>	<u>41.5</u>	<u>+5.5</u>

Increases in Revised Estimates. Legislation not included in the Budget document but enacted since January or now pending accounts for 4.4 billion dollars of the 7.5-billion-dollar increases. This legislation will necessitate the following expenditures in the fiscal year 1947:

	<i>In billions</i>
National defense:	
Terminal leave pay.....	\$2. 4
Increased pay for military personnel.....	0. 6
Philippine war damage and rehabilitation.....	0. 1
International finance:	
Loan to Philippine Republic.....	0. 1
Veterans pensions and benefits:	
Increased pensions and liberalized benefits.....	0. 8
Housing, excluding defense housing, net of receipts.....	0. 2
Post Office Department (general fund):	
Pay increase.....	0. 2
<hr/>	
Total increase resulting from new legislation.....	4. 4

About 1.5 billion dollars of the increases over the January estimate are accounted for by those expenditures originally scheduled for the fiscal year 1946, which were postponed and carried forward into the present fiscal year. This category includes the payment of 950 million dollars on our subscription to the International Monetary Fund. In addition, there are deferred disbursements under the programs of the Export-Import Bank and for the United Nations Relief and Rehabilitation Administration.

Finally, expenditures for certain programs included in the January Budget document are expected to exceed the original estimates by 1.6 billion dollars.

About 350 million dollars of this 1.6-billion-dollar increase arises because Government corporation receipts from the sales of industrial raw materials and surplus plant and equipment are now estimated below those shown in the original Budget. These receipts are treated as deductions from gross expenditures for national defense. A further

reduction in receipts from the sale of surplus property by agencies other than Government corporations is reflected in the estimates of miscellaneous receipts of the general and special accounts, rather than as an offset to expenditures. Estimates of tax refunds have been increased by 270 million dollars because of experience with the new types of refunds.

Many more veterans are availing themselves of educational opportunities and other benefits than was estimated in January. These veterans' programs alone account for 1.0 billion dollars of the increase in authorized programs, and some of these programs are still expanding. I believe that tightening of standards for veterans' programs, especially for readjustment allowances and on-the-job training, can bring considerable economies.

Decreases in Revised Estimates. The increase in certain categories of expenditures for the fiscal year 1947 is offset, to some extent, by declines from the January estimates for other categories. These reductions, amounting to 2.0 billion dollars, occur in programs for agriculture, social security, general public works, and general government. A part of these reductions is to be attributed to delays in enactment of proposed legislation and to congressional action reducing appropriations below my recommendations. For example, the total of appropriations for civil departments and agencies is 104 million dollars below the recommendations—over one-half of the decrease in estimated expenditures for this item.

The decrease of 737 million dollars in estimated expenditures for agricultural programs reflects primarily the fact that little, if any, outlay for price supports will be required in the current fiscal year in view of the present outlook for agricultural prices. Expenditures for food subsidies, also included in this category, are now estimated

at 975 million dollars, including 175 million dollars to liquidate 1946 obligations. The remaining 800 million dollars, I believe, will be needed during 1947 as a part of the food price control program. The favorable employment outlook also has permitted a considerable reduction in the estimates for social security expenditures.

Federal expenditures for public works are now expected to be less than 60 percent of the original estimates for the fiscal year 1947. Some of these programs were lagging because of material and manpower shortages, and public works of certain types were curtailed by executive as well as congressional action when the Veterans' Emergency Housing Program was initiated. In view of the present inflationary situation, however, this policy of deferment must be extended to all categories and must be enforced as drastically as possible.

I am directing the heads of Federal agencies to curtail public works expenditures in general, and to limit expenditures for certain programs to specified amounts. Consistent with this action, I am asking agencies making grants or loans for construction work to seek cooperation of State and local groups in holding down such expenditures wherever possible. The Director of War Mobilization and Reconversion is issuing an order providing for a 60-day moratorium on all new Federal public works commitments. This directive will also require deferment of a large volume of Federal construction until the last quarter of the fiscal year 1947. Where there is legislation for new programs, expenditures in the fiscal year 1947 will be restricted to planning activities. All in all, the reduction in Federal expenditures for public works is estimated at 707 million dollars. The policy of deferment will also hold down commitments for public works in the years immediately following.

Recent trends have indicated that military and naval expenditures in the current fiscal year were likely to run considerably above the level estimated in the January Budget. This was true even excluding new legislation, such as the military pay increase and larger naval appropriations recommended and enacted since January. The Secretaries of War and Navy, at my request, will reduce projected expenditures for the Army and Navy by 1,650 million dollars to the level shown in the revised estimates of this Review. I believe that this adjustment can be accomplished without impairing the effectiveness of our military establishment. Similarly, I have requested the Chairman of the Maritime Commission to adjust the current program for new ship construction so that expenditures for this purpose will not exceed 60 million dollars in the fiscal year 1947. This action will reduce projected Maritime expenditures by 60 million dollars. These reductions do not directly appear in the tabular comparison of the original and revised estimates. These cuts prevent a corresponding increase that otherwise would have occurred.

I cannot at this time estimate what additional reductions will be feasible under the reexamination of the defense program which, as I have stated above, the Secretaries of War and Navy will undertake. For the military activities of the War and Navy Departments the balances of prior year appropriations available for expenditure, together with new appropriations for the fiscal year 1947, amount to over 22.9 billion dollars. The expenditure program for these activities in the fiscal year 1947 is 13.2 billion dollars. One-third or more of the military expenditures in the fiscal year 1947 will be made from unexpended balances of war-year appropriations. After allowing an operating margin this should still leave con-

siderable amounts of carried-over funds to be repealed or to lapse. I believe it quite likely that the reexamination of our defense program will reveal the necessity for further downward adjustments in appropriations.

3. Revised Revenue Estimates and Tax Policy

In January net receipts were estimated at 31.5 billion dollars for the fiscal year 1947. The revised estimate is 39.6 billion dollars as shown in Table 1. The upward revision by 8.1 billion dollars has been made in the expectation that the high dollar volume of economic activity will continue, with a high level of taxable individual and corporate incomes and large sales of taxable commodities.

In making the revenue estimates, it has been assumed that taxes will be maintained at their present level. It has also been assumed that the collections under the Federal Insurance Contributions Act will be continued at a 2 percent total rate through the fiscal year.

The tax reductions and adjustments made last year fully met the needs for adapting the wartime revenue system to the reconversion period. I repeat, no further tax reductions should be made until the present inflationary situation has passed. Our tax policy should be designed not only to check inflation but to prevent any particular group from profiting by it.

4. The Deficit and the National Debt

Between the January and August estimates, receipts have gone up more than expenditures by about 2.6 billion dollars. Hence, the expected deficit for the fiscal year 1947 dropped from 4.5 to 1.9 billion dollars. Without the expenditures under new legislation—legislation not contemplated last January—the Budget for the fiscal year 1947

would have shown a surplus.

I shall endeavor throughout the fiscal year to reduce expenditures whenever and wherever they can be reduced without harm to our security and the general welfare. A substantial budget surplus must be our objective for the following year. The Bureau of the Budget, at my direction, has informed all Federal agencies of this goal.

The retirement of the public debt is proceeding more rapidly than previously expected. In the January Budget the Federal debt was estimated at 271 billion dollars on June 30, 1947. By the end of the fiscal year 1947 it will decline to an estimated 261 billion dollars on the basis of present estimates. Liquidation of the Treasury cash balance was somewhat less than expected in the fiscal year 1946, and this will permit correspondingly more debt retirement during the current fiscal year.

5. Payments to and Receipts from the Public

The immediate economic impact of the Budget is felt when the Federal Government either collects money from individuals and business or disburses money to individuals and business. The Budget in its traditional form does not give an adequate picture of these cash transactions between the Government as a unit and the public.

Budget expenditures include certain intra-governmental transactions, such as transfers to trust accounts. They also include, for the fiscal year 1947, substantial amounts of non-cash expenditures, such as 950 million dollars in notes to be issued to the International Monetary Fund, and 2.1 billion dollars in terminal leave bonds. On the other hand, budget expenditures do not include certain cash disbursements to the public, such as payments of old-age benefits from trust accounts.

To show actual payments to and receipts

from the public, the transactions of the general and special accounts, of Government corporations and of trust accounts must be

consolidated, and noncash transactions must be excluded. The following table summarizes such a consolidation:

SUMMARY OF PAYMENTS TO AND RECEIPTS FROM THE PUBLIC ¹

[For the fiscal years 1945, 1946, and 1947. In billions]

Description	1945 Actual	1946 Actual	1947	
			Budget document estimates January, 1946	Budget review estimates August, 1946
Payments to the public.....	\$96.4	\$64.9	\$37.1	\$39.9
Receipts from the public (other than borrowing).....	50.6	48.1	34.7	42.7
Excess of payments.....	45.8	16.8	2.4	.....
Excess of receipts.....	.....	.....	.....	2.8

¹ See table 4 for detail.

The table indicates that under the revised estimates the Government will receive more this year in the form of taxes, contributions and other receipts than it will pay to the public. This excess of receipts will help to mitigate inflationary trends.

6. The Government's Budget and the Nation's Budget

The Federal Budget has become of such vital importance that it must be viewed in its relationship with the economy as a whole.

As in former years, I present in Table 5 the most recent estimates for the Government's Budget and the Nation's Budget, with data for a war year, fiscal 1945, for comparison.

The comparison shows that consumer incomes in the last half of the fiscal year 1946 were at a relatively high level, in fact, not much below that of wartime. These consumer receipts include a considerable amount of income payments not received from our current production, such as mustering-out pay and veterans' benefits. Consumers, who accumulated large reserves during war-

time, are increasing their purchases, partly financed by installment credit. The current rate of net savings by consumers is greatly below the wartime rate.

During the war business accumulated more funds through depreciation reserves and undistributed profits than it spent for capital outlays. This trend has been fully reversed. Capital formation, chiefly for expanding productive capacity, inventories and exports, now exceeds the internal fund accumulation of business, and thus requires spending of accumulated funds or new financing. Increased spending by consumers, expanded outlays by business, and a still high level of expenditures by Government are causing demand to outrun production. This characterizes the current inflationary threat.

This situation requires that the Federal Government, as well as State and local governments, reduce expenditures and keep taxes at a high level. All deferrable expenditures, at all levels of government, should be postponed until the backlog of demand for goods and services is satisfied.

I said in my January message: "Today inflation is our greatest immediate domestic problem." This is as true now as it was six months ago. The traditional forces of private enterprise and self-reliance are at work in transforming a war economy into a peace economy of high production and full

employment. It is our duty to prevent this transformation from degenerating into a speculative boom and subsequent collapse such as we had after the last war. Budgetary policy has a great responsibility in that respect. Its responsibility increases as direct controls are lifted.

TABLE 1. BUDGET RÉSUMÉ¹

Based on existing and proposed legislation
[For the fiscal years 1946 and 1947. In billions]

BUDGET RECEIPTS AND EXPENDITURES Excluding trust and debt transactions	1946 Actual	1947	
		Budget document estimates January, 1946	Budget review estimates August, 1946
Description			
Budget Receipts (general and special accounts, net)	\$43.0	\$31.5	\$39.6
Budget Expenditures (general and special accounts; and wholly owned Government corporations and credit agencies, net):			
National defense	48.2	14.8	18.5
Interest on the public debt	4.7	5.0	5.0
Refunds	3.0	1.6	1.8
Veterans pensions and benefits	4.2	4.4	6.2
International finance	.6	2.8	4.2
Aids to agriculture, including subsidies	.3	1.9	1.2
Social security, relief, and retirement	1.1	1.6	1.2
Housing, excluding defense housing	— .3	.....	.2
General public works program	.4	1.6	.9
Post Office Department (general fund)	.2	.....	.2
General government	1.3	2.1	1.9
Pay increase not absorbed above (anticipated supplemental appropriations)	.....	.2	.2
Total Budget expenditures	63.7	36.0	41.5
Excess of Budget expenditures over receipts	20.7	4.5	1.9
TRUST RECEIPTS AND EXPENDITURES			
Trust Receipts	7.6	4.6	4.9
Trust Expenditures (excluding investments)	4.4	2.5	2.8
Net accumulations in trust accounts	3.2	2.1	2.1
THE PUBLIC DEBT			
Public debt at beginning of year	258.7	275.0	269.4
Excess of Budget expenditures over receipts	20.7	4.5	1.9
Change in Treasury cash balance	—10.5	—8.7	—10.8
Other borrowing requirements	.5	.2	.5
Public debt at end of year	269.4	271.0	261.0

¹ For supporting details, see tables 2 and 3.

TABLE 1. BUDGET RÉSUMÉ—Continued

APPROPRIATIONS AND OTHER AUTHORIZATIONS (General and special accounts)	1946	1947	
	Enacted	Recommended	Enacted
Appropriations, excluding appropriations to liquidate contract authorizations	\$63.9	\$33.7	\$32.2
Estimates of appropriations for supplementary items and proposed legislation .....	.....	1.5	.....
Reappropriations	14.1	.1	.1
Contract authorizations	—1.7	.8	.5
Authorizations treated as public debt transactions	8.9	.....	.....
Cancellation of notes payable to the U.S. Treasury .....	.....	.2	1.1
Total appropriations and other authorizations	85.2	36.3	33.9
Rescissions of appropriations and contract authorizations	58.0	.....	.....

TABLE 2. COMPARATIVE STATEMENT OF RECEIPTS AND EXPENDITURES

Based on existing and proposed legislation

[For the fiscal years 1945, 1946, and 1947. In millions]

GENERAL AND SPECIAL ACCOUNTS			1947 ¹	
			Budget document estimates January, 1946	Budget review estimates August, 1946
Description	1945 Actual	1946 Actual		
Receipts:				
Direct taxes on individuals	\$19,789	\$19,008	\$12,874	\$18,367
Direct taxes on corporations	16,399	12,906	8,192	9,762
Excise taxes	5,935	6,696	² 6,344	² 7,062
Employment taxes	1,793	1,714	1,856	³ 1,881
Customs	355	435	434	463
Miscellaneous receipts	3,469	3,480	3,239	3,384
Total receipts	47,740	44,239	32,939	40,919
Deduct net appropriation to Federal old-age and survivors' insurance trust fund	1,283	1,201	1,426	1,329
Net receipts	46,457	43,038	31,513	39,590
Expenditures:				
National defense:				
War Department	50,339	27,801	8,000	⁴ 8,060
Navy Department	⁵ 30,047	⁵ 15,161	⁵ 4,850	⁵ 5,150
Terminal leave of enlisted military personnel .....	.....	.....	.....	2,418
U.S. Maritime Commission	3,226	694	300	290
War Shipping Administration	2,042	1,430	859	412
Other	4,375	3,456	1,841	2,648
Total national defense	90,029	48,542	15,850	18,978

See footnotes at end of table.

TABLE 2. COMPARATIVE STATEMENT OF RECEIPTS AND EXPENDITURES—Continued

Description	1945 Actual	1946 Actual	1947 ¹	
			Budget document estimates January, 1946	Budget review estimates August, 1946
Interest on the public debt.....	\$3, 617	\$4, 722	\$5, 000	\$5, 000
Refunds	1, 715	3, 034	1, 585	1, 857
Veterans pensions and benefits.....	2, 044	4, 226	4, 418	6, 205
International finance.....	.....	833	1, 754	3, 093
Aids to agriculture, including subsidies.....	602	802	1, 251	1, 346
Social security, relief, and retirement:				
Social security program.....	476	539	1, 094	669
Work relief.....	5	4	7	12
Retirement funds.....	506	539	453	571
Housing, excluding defense housing.....	12	40	136	361
General public works program.....	291	377	1, 394	787
Post Office Department (general fund).....	.....	169	.....	241
General government:				
Legislative branch	29	23	37	37
The Judiciary.....	13	15	17	17
Executive Office of the President.....	2	3	5	5
Civil departments and agencies.....	1, 058	1, 145	^a 1, 873	^a 1, 683
District of Columbia (Federal contribution) ..	6	6	6	8
Pay increase not absorbed above (anticipated supplemental appropriations) .....	.....	.....	^a 245	160
Total expenditures	100, 405	65, 019	35, 125	41, 030
Excess of expenditures over receipts.....	53, 948	21, 981	3, 612	1, 440
CHECKING ACCOUNTS OF WHOLLY OWNED GOVERN- MENT CORPORATIONS AND CREDIT AGENCIES WITH THE TREASURER OF THE UNITED STATES				
Net expenditures, excluding redemption of obliga- tions in the market:				
National defense ⁷	^a 154	^a 392	^a 1, 000	^a 470
International finance	^a 12	^a 211	1, 000	1, 075
Aids to agriculture, including subsidies ⁷	761	^a 473	660	^a 172
Housing, excluding defense housing.....	^a 404	^a 327	^a 145	^a 159
General public works program	^a 12	34	200	100
General government	^a 186	64	120	135
Net expenditures ⁸	^a 7	^a 1, 305	835	509
TRUST ACCOUNTS				
Receipts:				
Transfers from general and special accounts.....	1, 646	1, 918	637	944
Net appropriations from general account receipts..	1, 283	1, 201	1, 426	1, 329
Other receipts	4, 130	4, 547	2, 595	2, 641
Total receipts	7, 059	7, 666	4, 658	4, 914

See footnotes at end of table.

TABLE 2. COMPARATIVE STATEMENT OF RECEIPTS AND EXPENDITURES—Continued

Description	1945 Actual	1946 Actual	1947 ¹	
			Budget document estimates January, 1946	Budget review estimates August, 1946
Expenditures:				
Benefits, annuities, and other expenditures.....	^a \$484	\$4, 427	\$2, 540	\$2, 771
Investments in United States securities.....	5, 200	3, 668	2, 291	2, 542
Total expenditures ⁸	4, 715	8, 095	4, 831	5, 313
Excess of expenditures over receipts.....	.....	429	173	399
Excess of receipts over expenditures.....	2, 344	.....	.....	.....
EFFECT OF OPERATIONS ON THE PUBLIC DEBT				
Public debt at beginning of year.....	201, 003	258, 682	275, 000	269, 422
Increase in public debt during year:				
General and special accounts:				
Excess of expenditures over receipts.....	53, 948	21, 981	3, 612	1, 440
Checking accounts of wholly owned Govern- ment corporations and credit agencies:				
Net expenditures, excluding redemption of obligations in the market.....	^a 7	^a 1, 305	835	509
Redemption of obligations in the market....	1, 553	95	67	80
Trust Accounts:				
Excess of expenditures over receipts.....	-2, 344	429	173	399
Change in Treasury cash balance.....	+4, 529	-10, 460	-8, 687	-10, 850
Increase in public debt during year.....	57, 679	10, 740	-4, 000	-8, 422
Public debt at end of year.....	258, 682	269, 422	271, 000	261, 000

^a Excess of credits, deduct.¹ Except for "Pay increase not absorbed above," expenditure estimates under anticipated supplemental appropriations and under proposed legislation, heretofore segregated, are now distributed by functions.² Assumes that reduction in wartime excise tax rates which becomes effective 6 months after hostilities are declared terminated, will not take place in time to affect tax collections during fiscal year 1947.³ Includes estimated Federal Insurance Contributions Act collections which are based on the continuation of the present tax rate of 1 percent each on employers and employees.⁴ Includes estimated expenditures of \$60 million for activities of the War Department: Civil functions and Panama Canal, classified as "National defense."⁵ In fiscal years 1945 and 1946, actual Coast Guard expenditures are included under "National defense: Navy Department"; in fiscal year 1947, estimated Coast Guard expenditures (January Budget Document estimate, \$150 million; August Budget Review estimate, \$180 million) are included under "Civil departments and agencies."⁶ Included under proposed legislation in 1947 Budget Document.⁷ Expenditures of the Reconstruction Finance Corporation for food subsidies, formerly shown under "National defense", are now shown under "Aids to agriculture, including subsidies."⁸ The checking accounts of mixed-ownership corporations and a few special deposit accounts are now included under "trust accounts."

TABLE 3. COMPARATIVE STATEMENT OF APPROPRIATIONS, REAPPROPRIATIONS, AND AUTHORIZATIONS
For the fiscal years 1945, 1946, and 1947

[In millions]

GENERAL AND SPECIAL ACCOUNTS		1947			
	Description	1945 Enacted	1946 Enacted	Recom- mended ¹	Enacted
Appropriations:					
National defense:					
	War Department	\$15, 439	\$21, 510	\$7, 220	\$7, 275
	Navy Department	^a 29, 514	^a 23, 479	^a 3, 795	^a 4, 149
	Terminal leave for enlisted military personnel .....	.....	.....	2, 679	2, 431
	U.S. Maritime Commission	6, 766	.....	.....	.....
	War Shipping Administration	530	437	.....	.....
	Lend-lease	3, 572	2, 685	.....	.....
	Other	1, 798	2, 948	1, 302	754
	Total national defense	57, 619	51, 059	14, 996	14, 609
	Interest on the public debt	3, 622	4, 722	5, 000	5, 000
	Refunds	1, 873	3, 034	1, 857	1, 857
	Veterans pensions and benefits	1, 499	4, 538	6, 135	6, 131
	Aids to agriculture, including subsidies	792	547	^a 1, 409	487
Social security, relief, and retirement:					
	Social security program	488	550	596	569
	Retirement funds	506	539	521	521
	Housing, excluding defense housing	19	453	13	8
	General public works program	209	783	1, 242	1, 069
	Post Office Department (general fund) .....	.....	160	241	241
General government:					
	Legislative branch	49	56	58	54
	The Judiciary	14	16	17	16
	Executive Office of the President	3	3	5	5
	Civil departments and agencies	1, 103	1, 245	^a 1, 661	^a 1, 557
	District of Columbia (Federal contribution)	6	6	6	8
	Statutory public debt retirement	588	593	593	593
	Total appropriations	<u>68, 390</u>	<u>68, 304</u>	<u>34, 350</u>	<u>^a 32, 725</u>
Estimates of Additional Appropriations:					
	For anticipated supplemental items .....	.....	.....	865	.....
	For programs based on proposed legislation .....	.....	.....	645	.....
	Total estimates of appropriations for supplemental items and proposed legislation .....	.....	.....	<u>1, 510</u>	<u>.....</u>
Reappropriations:					
National defense:					
	War Department	32, 760	10, 399	.....	.....
	Navy Department	5	.....	.....	36
	Lend-lease	5, 391	3, 574	7	6
	Other	211	94	8	5
	Total national defense	38, 367	14, 067	15	47
	Other than national defense	81	54	106	98
	Total reappropriations	<u>38, 448</u>	<u>14, 121</u>	<u>121</u>	<u>145</u>

See footnotes at end of table.

TABLE 3. COMPARATIVE STATEMENT OF APPROPRIATIONS, ETC.—Continued

Description	1945 Enacted	1946 Enacted	1947	
			Recom- mended ¹	Enacted
Contract authorizations and appropriations to liquidate contract authorizations:				
New contract authorizations:				
National defense:				
Navy Department.....	\$4, 273	^a \$1, 715	\$275	.....
U.S. Maritime Commission.....	5, 700	.....	.....	.....
Other	3	.....	.....	.....
Total national defense.....	9, 976	^a 1, 715	275	.....
Other than national defense.....	506	16	500	\$500
Total new contract authorizations.....	10, 482	^a 1, 699	775	500
Appropriations to liquidate contract authorizations:				
National defense:				
Navy Department	10, 740	4, 275	300	300
U.S. Maritime Commission.....	6, 117	.....	.....	.....
Other	81	52	22	22
Total national defense.....	16, 938	4, 327	322	322
Other than national defense.....	43	60	295	255
Total appropriations to liquidate contract authorizations	16, 981	4, 387	617	577
Authorizations treated as public debt transactions:				
Subscriptions to the International Monetary Fund.....	.....	^a 950	.....	.....
Subscriptions to the International Bank for Reconstruction and Development.....	.....	3, 175	.....	.....
Subscriptions to Export-Import Bank.....	.....	999	.....	.....
Line of credit to the United Kingdom.....	.....	^a 3, 750	.....	.....
Total authorizations treated as public debt transactions .....	.....	8, 874	.....	.....
Cancellations of notes payable to the United States Treasury:				
Commodity Credit Corporation, restoration of capital impairment .....	.....	.....	"	921
Reconstruction Finance Corporation, reimbursement for materials transferred to military stockpile.....	.....	.....	150	150
Total, cancellations of notes payable to the United States Treasury.....	.....	.....	150	1, 071

See footnotes at end of table.

TABLE 3. COMPARATIVE STATEMENT OF APPROPRIATIONS, ETC.—Continued

Description	1945 Enacted	1946 Enacted	1947	
			Recom- mended ¹	Enacted
Rescissions of appropriations and contract authorizations:				
Appropriations:				
National defense:				
War Department.....	.....	\$33,371	.....	.....
Navy Department.....	.....	17,734	.....	.....
Lend-lease.....	.....	3,357	.....	.....
U.S. Maritime Commission.....	\$3,100	1,175	.....	.....
War Shipping Administration.....	.....	828	.....	.....
Other.....	85	408	.....	.....
Total national defense.....	3,185	56,873	.....	.....
Other than national defense.....	7	15	.....	.....
Total rescissions of appropriations.....	3,192	56,888	.....	.....
Appropriations to liquidate contract authorizations:				
National defense:				
Navy Department.....	.....	2,583	.....	.....
U.S. Maritime Commission.....	3,100	1,175	.....	.....
Total rescissions of appropriations to liquidate con- tract authorizations.....	3,100	3,758	.....	.....
Total rescissions of appropriations available for obligation.....	92	53,130	.....	.....
Contract authorizations:				
National defense:				
Navy Department.....	2,000	3,316	.....	.....
Lend-lease.....	.....	600	.....	.....
U.S. Maritime Commission.....	4,265	960	.....	.....
Other.....	.....	4	.....	.....
Total national defense.....	6,265	4,880	.....	.....
Other than national defense.....	.....	4	.....	.....
Total rescissions of contract authorizations.....	6,265	4,884	.....	.....
POSTAL ACCOUNTS				
Appropriations:				
Post Office Department, Washington.....	7	7	\$7	\$7
Postal services, field operations.....	1,167	1,385	1,291	1,273
Anticipated supplemental appropriations (estimated).....	.....	.....	162	162
Total appropriations.....	1,174	1,392	1,460	1,442

See footnotes at end of table.

TABLE 3. COMPARATIVE STATEMENT OF APPROPRIATIONS, ETC.—Continued

GOVERNMENT CORPORATIONS		1947		
Description	1945 Enacted	1946 Enacted	Recom- mended ¹	Enacted
Limitations on administrative expenses:				
Federal Loan Agency.....	\$12	\$43	\$37	\$35
National Housing Agency.....	29	23	48	42
Department of Agriculture.....	15	13	13	16
Other	10	13	5	3
Total limitations on administrative expenses.....	66	92	103	96
TRUST ACCOUNTS				
Appropriations:				
Unemployment trust fund.....	1, 507	1, 280	1, 284	1, 284
Federal old-age and survivors insurance trust fund.....	1, 407	1, 349	1, 490	1, 490
Veterans life insurance funds.....	2, 221	2, 445	920	920
Federal employees' retirement funds.....	557	614	505	505
Railroad retirement account.....	324	312	373	373
Other trust accounts.....	1, 102	1, 418	344	346
Total appropriations	7, 118	7, 418	4, 916	4, 918

^a Net reduction because of adjustments in previous estimates of cost of construction under authorized tonnage of naval vessels.

¹ Covers recommendations in the January Budget Document and subsequent recommendations.

² In fiscal years 1945 and 1946 Coast Guard appropriations are included under "National defense: Navy Department"; in fiscal year 1947 under "Civil departments and agencies."

³ Includes recommendation of \$921 million for "Commodity Credit Corporation, restoration of capital impairment."

⁴ Included in "Appropriations" above.

⁵ Excludes \$1.8 billion to be paid from Exchange Stabilization Fund.

⁶ Excludes \$650 million credit to United Kingdom which provides for deferred payments to the United States Government for lend-lease and surplus property and involves no expenditure.

⁷ Recommendation included under appropriations for "Aids to agriculture, including subsidies."

⁸ Covers all action by the Congress as of July 30, 1946, including the First Supplemental Appropriation Act, 1947, as passed by the House of Representatives on that date.

TABLE 4. PAYMENTS TO AND RECEIPTS FROM THE PUBLIC

Excluding Major Intragovernmental and Non-Cash Transactions Based on Existing and Proposed Legislation

[Fiscal years 1945, 1946, and 1947. In billions]

Description	1945 Actual	1946 Actual	1947	
			Budget document estimates January, 1946	Budget review estimates August, 1946
Payments to the public:				
National defense	\$89.9	\$48.2	\$14.8	¹ \$16.4
Interest on the public debt	2.8	3.7	3.8	3.8
Refunds .....	.8	2.9	1.6	1.9
Veterans pensions and benefits .....	.9	2.9	4.3	5.8
International finance .....	.....	.6	3.5	4.4
Other activities ² (excluding trust accounts)	2.5	2.3	6.7	5.0
Trust accounts	^a .5	4.3	2.4	2.6
Total payments to the public	96.4	64.9	37.1	39.9
Receipts from the public:				
Receipts other than borrowing:				
Direct taxes on individuals	19.8	19.0	12.9	18.4
Direct taxes on corporations	15.6	12.9	8.2	9.8
Employment taxes ³ .....	.5	.5	.4	.6
Excise taxes and customs	6.3	7.1	6.8	7.5
Miscellaneous receipts, general and special accounts	3.4	3.4	3.0	3.1
Trust accounts ³	5.0	5.2	3.4	3.3
Total receipts other than borrowing	50.6	48.1	34.7	42.7
Excess of receipts other than borrowing, over payments	-45.8	-16.8	-2.4	2.8
Borrowing from the public (net):				
Savings bonds and stamps	10.6	2.9	.....	.....
Treasury bonds	26.1	12.3	.....	.....
Short-term issues	14.3	^b 7.9	.....	.....
Government corporation obligations	^b 1.5	^b .1	.....	.....
Other obligations .....	.9	^b .9	.....	.....
Total borrowing from the public (net)	50.4	6.3	^b 7.0	^b 14.8
Total receipts: from the public ⁴	101.0	54.4	27.7	27.9

^a Excess of credits, deduct.^b Excess of redemptions, deduct.¹ Excludes \$2.1 billion of terminal leave bonds for enlisted military personnel.² Including pay increase not absorbed.³ Net appropriation to Federal old-age and survivors' insurance trust fund is excluded from employment taxes, but included as trust account receipt.⁴ Difference between payments and receipts is accounted for by change in Treasury cash balance and Exchange Stabilization Fund.

TABLE 5. THE GOVERNMENT'S BUDGET AND THE NATION'S BUDGET ¹

[Fiscal year 1945 and second half of fiscal year 1946. In billions]

CONSUMERS	Fiscal year 1945			Second half, fiscal 1946 ² (In seasonally adjusted annual rates)		
	Receipts	Expenditures	Excess (+) Deficit (—)	Receipts	Expenditures	Excess (+) Deficit (—)
<i>Economic Group</i>						
Income after taxes.....	\$136.6	.....	.....	\$132.0	.....	.....
Expenditures:						
Durables .....	.....	\$7.1	.....	.....	\$11.3	.....
Nondurables .....	.....	62.3	.....	.....	75.6	.....
Services .....	.....	32.6	.....	.....	34.3	.....
Total, consumer expenditures.....	.....	102.0	.....	.....	121.2	.....
Excess of receipts, savings (+).....	.....	.....	+\$34.6	.....	.....	+\$10.8
BUSINESS						
Undistributed profits and reserves.....	13.5	.....	.....	11.7	.....	.....
Gross capital formation:						
Domestic .....	.....	5.0	.....	.....	19.0	.....
Net exports .....	.....	—1.0	.....	.....	3.1	.....
Total, gross capital formation.....	.....	4.0	.....	.....	22.1	.....
Excess of receipts (+) or capital formation (—) .....	.....	.....	+9.5	.....	.....	—10.4
STATE AND LOCAL GOVERNMENT						
Receipts from the public, other than borrowing	10.4	.....	.....	10.7	.....	.....
Payments to the public.....	.....	8.7	.....	.....	9.4	.....
Excess of receipts (+).....	.....	.....	+1.7	.....	.....	+1.3
FEDERAL GOVERNMENT						
Receipts from the public, other than borrowing	50.6	.....	.....	50.8	.....	.....
Payments to the public.....	.....	96.4	.....	.....	52.5	.....
Excess of payments (—).....	.....	.....	—45.8	.....	.....	—1.7
ADJUSTMENT						
Transfer payments to individuals by governments	5.9	5.9	.....	12.2	12.2	.....
Other transfer payments.....	3.9	3.9	.....	11.3	11.3	.....
Less: Government noncash expenditure for goods and services.....	1.1	1.1	.....	1.1	1.1	.....
Total adjustment to be deducted.....	8.7	8.7	.....	22.4	22.4	.....
TOTAL: GROSS NATIONAL PRODUCT						
Receipts	202.4	.....	.....	182.8	.....	.....
Expenditures .....	.....	202.4	.....	.....	182.8	.....
Balance .....	.....	.....	0	.....	.....	0

See footnotes on following page.

Footnotes for table 5.

¹ For an explanation of this table see the Budget Document for the fiscal year 1947, pp. 728-729. In the "Adjustment" category, the concept of "Transfer payments to individuals by governments" is that of the Department of Commerce. "Other transfer payments" include tax refunds, reimbursable lend-

lease, certain trust account expenditures, transfers to the International Bank, sales of surplus personal property counted as business expenditures, and certain other items.

² Figures for the second half of the fiscal year 1946 are preliminary.

194 Letters Calling for Reductions in Expenditures for National Defense. *August 3, 1946*

[Released August 3, 1946. Dated August 2, 1946]

To the Secretary of the Navy:

My dear Mr. Secretary:

I must request your assistance in a most serious fiscal situation. The Federal Government is faced with a continued substantial Budget deficit in the present fiscal year, because betterments on the revenue side since my annual Budget was submitted in January have been nullified by projected increases in expenditures. The increases in projected expenditures are largest in the national defense category, for which I programmed \$15,000,000,000 in my annual Budget. Comparable expenditures in this category are now projected at close to \$20,500,000,000. A great portion of this increase of \$5,500,000,000 is in the expenditures estimated for the War and Navy Departments, including proposed terminal leave pay for enlisted personnel.

In my annual Budget submitted to the Congress last January, I included an estimate for expenditures for the Naval Establishment in the fiscal year 1947 amounting to \$4,850,000,000 (\$5,000,000,000 less \$150,000,000 included for the Coast Guard which has subsequently been transferred to the Treasury Department). The detailed recommendations which I submitted later to the Congress, and the congressional action thereon, would require increased expendi-

tures of \$300,000,000 above the January total. A still further increase of \$250,000,000 is required for military pay increase costs authorized by legislation enacted in June. Thus my January expenditure program for the Naval Establishment, as adjusted for my further recommendations and for actions of Congress, would total \$5,400,000,000.

A review of the naval program for the fiscal year 1947 now indicates prospective expenditures for naval functions of \$5,800,000,000, excluding terminal leave pay for enlisted personnel. It appears, therefore, that there is a prospective expenditure of \$400,000,000 in excess of the program expenditure contemplated in my January Message to the Congress, aside from changes resulting from congressional action.

In view of the present inflationary situation it is necessary to keep expenditures to the very minimum and to postpone expenditures that can possibly be deferred to a later year. It is therefore essential that the expenditures of the Federal Government stay within the estimates of expenditures transmitted to the Congress in the January Budget, except as such estimates have been substantially changed by reason of legislative enactments. Beyond that, we should strive for reductions below the January estimates wherever possible. To the largest possible

Harry S. Truman, 1946

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extent an effort must be made to absorb the increases due to new legislation by corresponding reductions in other areas.

I wish, therefore, that you would forthwith take the necessary action to adjust the current naval program so that total expenditures in the fiscal year 1947 will not exceed \$5,150,000,000, plus any cost for terminal leave pay for enlisted personnel. This will necessitate a reduction in prospective expenditures of \$650,000,000, including \$400,000,000 on account of potential increased program and \$250,000,000 to offset military pay increases.

I am convinced that this modification in program can be accomplished without impairing our effective defense. So far as possible, the adjustment should be concentrated in the areas which will release materials and labor resources which are urgently needed to augment production for the civilian economy to relieve inflationary pressures. These adjustments should be effected also with a view to preserving a balanced defense establishment. In addition, I ask

you to explore and recommend any possible further reductions in the naval program which will bring expenditures in the fiscal year 1947 to a level below the limit of \$5,150,000,000 (plus enlisted terminal leave pay) that would still be compatible with our national security and international commitments.

Please let me know promptly the measures you take to carry out these instructions.

Sincerely yours,

HARRY S. TRUMAN

NOTE: Similar letters were also addressed to the Secretary of War and to Vice Admiral W. W. Smith, Chairman of the U.S. Maritime Commission.

The letter to the Secretary of War requested him to take necessary action to adjust the military program so that total expenditures in fiscal 1947 would not exceed \$8 billion (plus enlisted terminal leave pay), a reduction in prospective expenditures of \$1 billion, including \$625 million on account of potential increased program and \$375 million to offset military pay increases.

The letter to the Chairman of the U.S. Maritime Commission directed him to adjust the Commission's program so that the total expenditure in fiscal 1947 for new construction would not exceed \$60 million, a reduction of \$60 million below the projected program of \$120 million.

195 Letters Calling for Reductions in Expenditures for Construction. *August 3, 1946*

[Released August 3, 1946. Dated August 2, 1946]

To the Secretary of War:

My dear Mr. Secretary:

The Acting Director of the Bureau of the Budget has heretofore informed you that I plan for 1948 not only to balance the Budget but to manage the fiscal program of the Government so that a substantial surplus may be used in the reduction of the national debt. If this is to be accomplished and we are to continue with a balanced Budget in subsequent years, it is essential that we hold back our capital outlay for construction so

that we do not commit the Government to heavy expenditures either for fiscal 1947 or for subsequent years by initiating too much work at this time. We must go ahead with some programs that are absolutely necessary, such as the veterans' emergency housing program and the veterans' hospital program. In each public works program we should keep in mind the conservation of materials with which to accomplish the most necessary construction. We should at the same time be careful not to interfere with private construc-

tion and the overall job of reconversion.

The Federal Government should not compete with private industry for scarce materials, neither should it compete in any area for scarce labor. To do so is to add to inflationary pressures and, in effect, to retard reconversion. Accordingly, it is my desire that all postponable public works be deferred until private demands for goods and services slacken off.

In order to carry out the above program of curtailment of public works, the Director of War Mobilization and Reconversion will issue a directive providing that for a period of sixty days, until October 1, 1946, there will be a moratorium on new Federal public works, contractual obligations, and force account work. This directive will also provide that after October 1, 1946, there will be a screening of Federal construction programs before any new commitments of Federal funds can be made.

In accordance with this deferment program, I ask you to take steps to limit expenditures and commitments for future expenditures where possible, through postponement of work on all projects which can be deferred. I would like you to so plan your work program that maximum total expenditures will not exceed \$95 million for flood control for fiscal 1947 and \$110 million

for fiscal 1948. Likewise, will you limit the expenditures for rivers and harbors and related work to \$90 million for fiscal year 1947 and \$95 million for fiscal year 1948. Within the latter two limitations, I will expect you to hold the expenditures for new work in each year to \$25 million. In addition, I ask you to explore and recommend any possible further reductions, especially for fiscal 1947, below the figures above mentioned for flood control and river and harbor work. For above civil functions, such as cemetery operations, I would like to have your judgment as to the possibility of planning an expenditure program in consonance with the above efforts towards expenditure limitation.

Please let me know promptly the measures you take to carry out these instructions.

Sincerely yours,

HARRY S. TRUMAN

NOTE: Similar letters were also addressed to the Secretary of Agriculture, the Secretary of the Interior, David E. Lilienthal, Chairman of the Board of Directors, Tennessee Valley Authority, and Thomas H. MacDonald, Commissioner, Public Roads Administration, Federal Works Agency, requesting that construction expenditures for their respective agencies be kept to a minimum consistent with curtailed activities in other Federal public works. Maj. Gen. Philip B. Fleming, Administrator of the Federal Works Agency, was sent a copy of Mr. MacDonald's letter together with a similar request regarding public works activities in the Federal Works Agency.

196 Statement by the President Concerning the Coinage of Commemorative Half-Dollars. *August 7, 1946*

I HAVE APPROVED the bill, H.R. 2377, "To authorize the coinage of 50-cent pieces in commemoration of the one-hundredth anniversary of the admission of Iowa into the Union as a State," and the bill, H.R. 6528, "To authorize the coinage of 50-cent pieces to commemorate the life and perpetuate the

ideals and teachings of Booker T. Washington." I thoroughly approve of the commemorative aim of these enactments and of the participation by the Federal Government in the proposed commemorations.

I should have much preferred, however, to approve legislation that would have pro-

vided for commemorative medals rather than for standard coins having currency value as a medium of exchange.

The Treasury Department advises me that during the period from 1934 to 1936, there were twenty-six coinage enactments of a commemorative character, with the result that legislation was enacted in 1939 prohibiting such coinage, or the issuance of such coins, authorized prior to March 1, 1939. I am further advised that no new commemorative coins have been issued from 1937 to the present time.

The Treasury Department takes the position that the multiplicity of designs on

United States coins resulting from the coinage of commemorative coins tends to create confusion, to increase the possibility of counterfeiting, to encourage traffic in commemorative coins for private profit, and, in general, to detract from the fundamental purpose for which money is issued, namely, to provide a medium of exchange.

I concur with this position of the Treasury Department, and I shall look with disfavor upon any future proposals for the enactment of legislation of this character.

NOTE: As enacted, H.R. 2377 is Public Law 612, 79th Congress (60 Stat. 864); H.R. 6528 is Public Law 610, 79th Congress (60 Stat. 863).

197 Memorandum of Disapproval of Bill Relating to Construction of a Weather Bureau Station in Michigan. *August 8, 1946*

[Released August 8, 1946. Dated August 7, 1946]

I HAVE WITHHELD my approval from S. 1198, "To authorize the Secretary of Commerce to sell certain property in the State of Michigan now occupied by the Weather Bureau and to acquire land in the State of Michigan for the erection of a Weather Bureau station."

Section 1 of the bill authorizes the Secretary of Commerce to sell the Weather Bureau station located on the campus of the Michigan State College of Agriculture and Applied Science, and to convey such property to the said college by quitclaim deed, and to deposit the proceeds of such sales in the Treasury as miscellaneous receipts. Section 2 authorizes and directs the Secretary of Commerce to acquire a site and cause to be erected thereon a suitable and commodious building for the use and accommodation of the Weather Bureau at East Lansing, Michigan, to replace the sta-

tion authorized to be sold. Section 3 authorizes the appropriation, out of money in the Treasury not otherwise appropriated, of such sums as may be necessary to carry out the provisions of the bill.

The Weather Bureau building at East Lansing, Michigan, which was erected on the campus of the college during the year 1927, is not surplus to the needs of the Government, as the Weather Bureau continues to render an important weather service there to the public. At the time the building was constructed it cost approximately \$38,000, exclusive of the cost of land which was donated by the State College of Agriculture and Applied Science. To sell the building to the college, acquire a site and erect a new building at the present time of scarcity of building materials, would be inimical to the interests of the Government, since it would result in considerable additional

cost and contribute to the general scarcity of materials for the construction of housing for veterans.

For these reasons, I feel obliged to withhold my approval of this measure.

HARRY S. TRUMAN

198 Remarks to Delegates of Boys Nation.

August 9, 1946

IT IS NICE to have you boys here as our guests this morning. I am familiar with what you are trying to do, because I am doing it. In Missouri, some years ago, I was interested in the Boys State and I think its expansion into the national picture is a good thing.

The welfare of the United States in the next 25 or 30 years is going to be in your hands—the hands of the young men who are now growing up and going to high school and college. You should know all that it is possible to know about the operations of your Government.

When people ask what the Government of the United States is, it is *you*. The Government is the people. We only represent what we believe to be the opinion of the majority of the people. When I act as President of the United States, when we act as Senators, when we act as Congressmen, we are merely expressing what we believe to be the views of the majority. When the majority is overturned, the other fellow gets a chance to express his views. And that is what constitutes a Republic.

Our Government is the government of a Republic—delegated powers, diffused powers, legislative powers, executive powers, judicial powers, all separate and independent, which makes it very difficult for an

individual to be persecuted under our system.

I have been studying it ever since I was your age, and I don't think a finer system has ever been created in the history of the world. Those gentlemen who met in Philadelphia to build a Constitution of the United States wrought much better, I think, than they knew. They were young men, most of them. There was Benjamin Franklin, of course, but the average age was in the forties, and they worked for the setting up of a Republic that would work.

Now that Republic is working, as you have seen demonstrated here since you have been here. It will continue to work just as long as you want it to work. I think it's good for a thousand years. I hope so.

It has been a pleasure to have you up here this morning to greet you on the White House grounds. Right over there in that rose garden is where all the pictures are taken of distinguished guests. The rose garden wasn't quite big enough to hold this gathering, so we picked this corner so that everybody could get up close to the President.

If you will all come by here, I will be glad to shake hands with each one of you.

NOTE: The President spoke on the South Lawn at the White House at 9:45 a.m.

199 The President's News Conference of
August 9, 1946

THE PRESIDENT. Well, I have no particular announcements to make to you, but I will try to answer your questions, if you want to ask me.

[1.] Q. Mr. President, the Republican national campaign director today accuses you of ingannation in connection with your budget.

THE PRESIDENT. Well, I guess that's just to add to the obfuscation of all the rest of his statement. [*Laughter*] That's about in line with what he's trying to say.

[2.] Q. Any comment, Mr. President, about the victory of Axtell over Representative Slaughter in the Missouri primary?

THE PRESIDENT. No comment.

[3.] Q. Mr. President, is there any reason now for further delay in the seizure of the J. I. Case plant in Milwaukee?

THE PRESIDENT. That is still——

Q. Has the administration decided to abandon——

THE PRESIDENT. ——still in the hands of the Department of Labor.

[4.] Q. Mr. President, do you plan any decision over the weekend on the Palestine situation?

THE PRESIDENT. No, I do not.

[5.] Q. Mr. President, the Democratic National Committee paper, *The Democrat*, says that the OPA is one of the main issues of the campaign. Do you agree with that?

THE PRESIDENT. Well, I think we will just wait a little while and see. It will be an issue, of course. Whether it will be the main issue or not, I don't know.

[6.] Q. Mr. President, on the Palestine issue, do you have any comment on the British Government's action in moving to stop illegal immigration——

THE PRESIDENT. No comment.

Q. Mr. President, are you planning to—are you considering naming Mr. Pauley as your personal representative in this Palestine business?

THE PRESIDENT. Mr. Pauley has a job. At least he is my representative on the Reparations Commission.

[7.] Q. Mr. President, are you considering former Senator Caraway for Mrs. McMillin's place on the Civil Service Commission?

THE PRESIDENT. No.

[8.] Q. Mr. President, do you see any objection in the publication of the Grady report, in view of the fact that the substance of it has already been stated in the House of Commons?

THE PRESIDENT. Well, it should not have been published at this time, because it is still in the negotiation stage.

Q. Mr. Grady's report should not have been, or Mr. Morrison's?

THE PRESIDENT. Well, I have no control of Mr. Morrison. I have some control of Mr. Grady.

Q. Mr. President, now that Grady's work is completed, is he going home to San Francisco?

THE PRESIDENT. I don't know. Of course not. Mr. Grady is still working on the job.

Q. There was some indication that his phase of it might be ended?

THE PRESIDENT. No. Still working at the job.

[9.] Q. Mr. President, have you reached any decision regarding the Wheeler-Reed railroad reorganization bill?

THE PRESIDENT. No, I haven't. It is still going through the mill. I haven't received

it—or I haven't had the report on it as yet.

[10.] Q. Mr. President, have you read the interview with General Peron the other day?

THE PRESIDENT. What was the nature of the interview? I don't think I read it.

Q. Well, a very long-winded thing. It said if there was going to be war, that he would be on our side this time.

THE PRESIDENT. Well, I am happy to hear that, but I haven't read the interview.

[11.] Q. Mr. President, getting back to the ingannation—

THE PRESIDENT. The obfuscation. [*Laughter*]

Q. Get him to spell that, will you?

THE PRESIDENT. Well, I will spell it for you. I had it looked up in the dictionary. It means deceit or deception, and it is spelled i-n-g-a-n-n-a-t-i-o-n.

I don't use \$40 words like that in my language.

Q. Is that a double *n*, Mr. President?

THE PRESIDENT. That's a Republican word. It isn't Democratic. [*Laughter*]

Q. I just wondered if it has a double *n* in the middle of it, Mr. President?

THE PRESIDENT. It says so here. I never saw the word until I heard or saw it in the paper, and then I had to get a dictionary and look it up.

Q. He takes your revised budget as an invitation to make it a political issue, and says he intends to accept the invitation. Did you intend it as such?

THE PRESIDENT. Not at all. It's just a plain statement of the facts as they are, and nothing else.

Q. Mr. President, did you ask Dr. Hassett about that wording, or did you have—

THE PRESIDENT. Yes, I discussed it with Dr. Hassett.

Dr. Hassett's opinion was the same as mine, that it was a good Republican word,

and that the Democrats wouldn't use it. [*Laughter*]

Q. What's the value you place on your Democratic word?

THE PRESIDENT. Obfuscation? That means to mess you up, Tony.¹

Q. Is that a Democratic word, Mr. President?

THE PRESIDENT. Yes, that's a Democratic word. [*More laughter*]

[12.] Q. Mr. President, may I ask you a local question?

THE PRESIDENT. Sure.

Q. Do you know whether or not Senator Mead will be a candidate for the New York governorship—

THE PRESIDENT. I do not.

[13.] Q. Mr. President, have you any word on the membership of the atomic commission yet?

THE PRESIDENT. No, we are still working on it. I am not ready to make an announcement on it. As soon as I can I will immediately announce it, whenever I have the answer.

[14.] Q. Mr. President, the Puerto Rican legislature recently passed a bill calling for the use of the Spanish language in the schools there. Has that come to your attention yet?

THE PRESIDENT. No, I haven't seen it. It probably won't.

[15.] Q. Mr. President, not commenting on the victory of Mr. Axtell in Missouri, would you care to predict what will happen to him in November?

THE PRESIDENT. He will be elected—he will be elected.

That's a categorical statement.

Q. Would you say the result of the Missouri primary would help the passage of FEPC?

THE PRESIDENT. I have no comment to

¹ Ernest B. Vaccaro of the Associated Press.

make on the Missouri primary.

Q. Have you sent Mr. Axtell a congratulatory message, Mr. President?

THE PRESIDENT. I have not.

Q. You don't intend to?

[16.] Q. Mr. President, have you received any information on the Justice Department's investigation of the lynchings in Georgia?

THE PRESIDENT. No, I have not officially. All I know is what I have seen in the papers. I know that their investigation is going forward with all the energy possible.

[17.] Q. Mr. President, getting back to that budget question, the Republicans claim that—the statement claims there is no chance of getting a balanced budget under a Democratic President. Do you think we would have any better luck under a Republican? [*Laughter*]

THE PRESIDENT. That question is perfectly obvious: No! [*More laughter*]

You know the budget would have been balanced except for the passage of the terminal leave pay bill, which was not anticipated by me in the first budget, and which was unanimously passed by the House, Mr. Brown voting for it. So it is a two-party measure, and both parties are ready to take the credit for it, as is the President of the United States. And that's what caused the deficit.

[18.] Q. Mr. President, the Patent Office, we understand, is still split between Washington and Richmond—

THE PRESIDENT. Just as soon as we can find the room, we are going to move them all back to Washington.

Q. Do you think that will be shortly?

THE PRESIDENT. Well, I don't—I can't answer the question. Just as quickly as we can get it done. We are trying to move all those agencies back where they belong as quickly as possible.

Q. Mr. President, does that take into consideration housing for the folks—

THE PRESIDENT. Yes, it takes everything—

Q. Pretty well crowded here.

THE PRESIDENT. Yes, very badly crowded here, and as soon as it's possible, we are moving all those regular governmental functions back to Washington.

Q. That wouldn't be immediately?

THE PRESIDENT. Oh no, it won't be immediately. It will be as soon as possible.

[19.] Q. Mr. President, in his conversation or report with you, has Mr. Byrnes indicated how long he thinks this Paris conference is going to last?

THE PRESIDENT. No he hasn't.

Q. Is there anything that you can reveal in the report he has made? Is he satisfied with the progress—

THE PRESIDENT. Well now, this is a negotiation of a peace treaty openly arrived at, and it's—every day's report is all public, on the same basis as that proposed by Woodrow Wilson, so you know every day just as much as I do about it.

[20.] Q. Mr. President, there is a Federal aid for hospitals bill. Can you tell me if there is any progress being made on that? I think it's near your desk, sir.

THE PRESIDENT. I think it is, and I anticipate it coming to my desk at any moment now.

Q. You haven't taken any action?

THE PRESIDENT. I haven't received it yet.

[21.] Q. Have you just about worked through that backlog of legislation?

THE PRESIDENT. Yes. All signed but about 40—approved or disapproved whatever is necessary to be done with them. I think I signed about 180. Still 40 or 50 left.

[22.] Q. Mr. President, one more question on Palestine. You said that you prob-

ably would not act this weekend. Can you foresee at this point when you might get to that?

THE PRESIDENT. No, I can't. Just as soon as I get to it I will inform you promptly.

Q. There have been some reports published that you have been in communication again with Attlee. Is there any truth in that?

THE PRESIDENT. No, there isn't.

Q. Mr. President, have you received any specific recommendations from the Grady mission on Palestine?

THE PRESIDENT. No, I haven't.

Q. Mr. President, is it within your con-

stitutional power to approve the plan drawn up by Grady and others?

THE PRESIDENT. This has nothing to do with the treaty or the Constitution. I don't think the Constitution enters into it at all. The New York Times had a very learned article on the subject this morning, which was interesting to me. [*Laughter*]

Reporter: Thank you, Mr. President.

THE PRESIDENT. You're welcome.

NOTE: President Truman's seventy-eighth news conference was held in his office at the White House at 4:05 p.m. on Friday, August 9, 1946.

200 Memorandum of Disapproval of Bill To Create a Theodore Roosevelt National Park in Medora, North Dakota.

August 10, 1946

[Released August 10, 1946. Dated August 9, 1946]

I HAVE WITHHELD my approval from H.R. 4435, "To establish the Theodore Roosevelt National Park; to erect a monument in memory of Theodore Roosevelt in the village of Medora, North Dakota; and for other purposes."

The area that would be established by this bill as the Theodore Roosevelt National Park does not possess those outstanding natural features or scenic qualities that would justify its establishment as a national park and has no direct historical association with Theodore Roosevelt. Neither the Maltese Cross Ranch, in which President Roosevelt had an interest, nor the Elkhorn Ranch, which he owned, are embraced within the proposed park area. The Maltese Cross Ranch is situated some distance south of Medora, North Dakota, while the proposed national park area is situated north of Medora. The Elkhorn ranch is situated thirty-five miles north of Medora, and is a considerable dis-

tance from the proposed park.

The land within the proposed national park area is now a part of the Theodore Roosevelt National Wildlife Refuge, and is best fitted for use as a wildlife protection and management area. Prior to its inclusion within the Refuge, it was a part of the Roosevelt Recreational Demonstration Area, which consisted of submarginal land acquired originally by the Resettlement Administration for recreational demonstration purposes. The area is largely of a badlands character, the formations being rounded, mostly dark red in color, and interspersed with grass-covered flats and plateaus. It is not of national park caliber.

Existing or authorized national parks contain or relate to areas that possess scenic, scientific, or historic features of outstanding national significance. The same high standards should be maintained whenever national parks are established in the future. I feel

strongly, therefore, that to confer national park status upon the area described in H.R. 4435 would be an unwise departure from sound policy. If a national park is to be established in honor of Theodore Roosevelt, it should more fully measure up to the standards developed and maintained in the past for national parks.

I may add, in this connection, that the bill contains a provision with respect to the determination of the validity of the title to the lands in question, which provision I would have considered sufficiently objectionable to justify a disapproval of the measure, entirely aside from the above indicated

reasons for its disapproval. I refer to the provision for the determination, by the Secretary of the Interior instead of by the Attorney General, of the validity of the land titles in question. This duty of examining the titles of lands acquired by the Government has, for more than a century, been vested in the Attorney General with respect to the vast majority of acquisitions, and I perceive no reason to change this general practice which has proven satisfactory through the years.

Accordingly, I am constrained to withhold approval from H.R. 4435.

HARRY S. TRUMAN

201 Statement by the President Marking the Centennial of the Smithsonian Institution. *August 10, 1946*

ON AUGUST 10, 1846, James K. Polk, eleventh President of the United States, put his signature on the Act of Congress establishing the Smithsonian Institution. Today, August 10, 1946, we celebrate the one hundredth anniversary of this venerable organization that is an American tradition.

As Presiding Officer of the Institution, it is fitting that I, as President of the United States, should publicly take cognizance of this occasion.

When James Smithson, an English chemist and mineralogist died in 1829, it was found that he had left his fortune to the United States to found at Washington, under the name of the Smithsonian Institution, an establishment for the increase and diffusion of knowledge among men. When Congress was notified of the unusual bequest, there arose a storm of debate, at times highly acrimonious, as to what to do with the gift. But finally, after some eight years of discussion, sane counsel prevailed, the bequest was accepted, and the Smithsonian Institu-

tion was formally established under a broad definition of its proper functions.

The Act of foundation provides that the Smithsonian Establishment shall consist of the President, the Vice President, and the Chief Justice of the United States, together with the heads of the Executive Departments. The managing body of the Institution is the Board of Regents, composed of the Vice President of the United States and the Chief Justice of the United States, ex officio, three Senators, three Representatives, and six eminent citizens, appointed by joint resolution of Congress. The executive officer directly in charge of the Institution's activities is the Secretary, chosen by the Board. There have been six eminent Secretaries: Joseph Henry, physicist; Spencer Fullerton Baird, biologist; Samuel Pierpont Langley, astronomer and pioneer in aeronautics; Charles Doolittle Walcott, geologist and paleontologist; Charles Greeley Abbot, astrophysicist; and the present Secretary, Alexander Wetmore, biologist.

It is hardly necessary to state that this is the age of science—newspaper headlines remind us of this every day. Atomic power, jet propulsion, television, transmutation of elements, metals from sea water, penicillin—all these and many more present-day marvels trace back invariably to basic scientific investigation. In view of the more spectacular nature of recent discoveries in physics, chemistry, and medicine, and their adaptability to prompt economic application, we are likely to lose sight of the equal importance to mankind of research in such other sciences as anthropology, biology and geology—sciences with which the Smithsonian Institution has been particularly concerned. Here, too, the steady progress made during the past hundred years, has likewise contributed greatly to man's welfare, through a better knowledge and hence a fuller control of his environment, and understanding without which our present high hopes and plans for a united and peaceful world would have an even more difficult road to travel.

For a full century the Smithsonian Institution has been a world center for the pro-

motion of science, art, and other cultural activities. Congratulations are in order upon the Smithsonian's record in the advancement of science and culture during a most important century in the history of mankind, but this should be not merely a time for counting laurels. Rather it should be a time for further consideration of the ideals of the founder, James Smithson, and a renewal of the Institution's zeal in the increase of the sum total of man's knowledge. The Smithsonian should continue to strive toward the end that man should not only know better his earthly abode, but should acquire the means of knowing himself better. Such studies are of vital significance in our present efforts to build a better world order, and to break the cycle of recurring wars of ever-increasing destructiveness.

On this one hundredth anniversary of the founding of the Smithsonian Institution, may we accord all honor to the founder, James Smithson, for his lofty and farseeing ideals. May the next one hundred years bring even more glory to the name of the Institution and to that of its founder.

202 Statement by the President Upon Signing the Foreign Service Act. *August 13, 1946*

IT IS SIGNIFICANT that this bill (H.R. 6967, "to improve, strengthen, and expand the Foreign Service of the United States and to consolidate and revise the laws relating to its administration") comes to me for signature at just the time that the efforts of Secretary Byrnes at the Peace Conference are demonstrating how great a stake the United States has in world affairs. While we strive to reach international agreement on the large and confused issues, we can make progress by trying to perfect those instruments of international relations which it lies in our

power to improve. This administration is doing everything possible to back up our participation in the United Nations and its ancillary organizations, and in the International Bank and the International Monetary Fund. This Foreign Service legislation is consistent with all our efforts in this field. It seeks to make the Service as efficient an instrument of our foreign policy as possible and to make our efforts to win the peace that much more effective.

The traditional responsibilities of the Foreign Service have increased in complexity

and importance and many new duties have been added as a result of the inclusion in the Department of State of some of the functions of war-time agencies. The efficient performance of this service is now more vital to the Government and individual American citizens than before the war. It must keep our Government informed with the greatest foresight and accuracy; it must make effective our policies in great countries and small; it must protect our citizens abroad in a troubled world and must promote our commerce under conditions of trade still influenced by the war and subject to controls not always familiar to the private trader.

The Foreign Service is now functioning as best it can on an outmoded plan laid down in 1924. In this bill we create a "New Model" service. One of the basic reforms is a revision of the salary structure so that a man without independent means can serve his country as an Ambassador or Minister or in any Foreign Service position as effectively

as a wealthy man. At the same time that the bill improves compensation it subjects the Service to more rigid requirements in regard to promotion and training; it seeks to keep our diplomats and consuls from losing touch with American life and thought by providing more frequent and varied assignments in this country; and it tries to make the Service truly representative of the whole government and people by making it possible for the best qualified men and women in the country, in or out of the government, to have tours of duty with the Foreign Service in any of its ranks.

We hope to speed the success of our foreign policy by improving its instruments. For a country situated as we are, only the best possible Foreign Service will suffice; this new act will, I hope, provide the foundations on which we can build such a Service.

NOTE: The Foreign Service Act of 1946 is Public Law 724, 79th Congress (60 Stat. 999).

203 Statement by the President Upon Signing the Hospital Survey and Construction Act. *August 13, 1946*

THIS BILL (S. 191) lays a groundwork for providing more and better medical care for the people of our country. Its aim is to assist States in the construction of necessary physical facilities for furnishing adequate hospital, clinical and similar services to all their people. Such construction is to be in accord with plans based upon surveys of existing needs. I am in full accord with these objectives. The construction of hospitals and related facilities was the first item in the five-point health program advocated in my message to the Congress last November.

I should not be frank, however, if in signing this bill I failed to point out certain

of its provisions which I consider objectionable.

The bill contains a provision which is contrary to sound principles of administration in that it sets up a council composed of individuals who are not to be full-time officials of the Government and authorizes this council not only to advise the Surgeon General but to exercise a veto power over certain of his actions. Regulations required by the bill must receive the approval of the council. The council may reverse the action of the Surgeon General disapproving a State plan because of failure to meet requirements of Federal law. I consider that such power over the action of Federal officials responsible

for the administration of a grant program involving the expenditure of Federal moneys constitutes a potentially dangerous precedent.

The bill also provides that if the State agency through which an application was filed is dissatisfied with the action of the responsible Federal administrator denying a construction project the agency may appeal to the Federal courts. For the first time under a Federal program of grants in aid this bill would sanction the judicial overruling of administrative discretion which Congress has entrusted to an official it holds responsible for granting Federal funds.

The urgent need of a prompt start upon the program, particularly the survey and planning aspects, accounts for my signing the measure in spite of these shortcomings. I look to those who will be charged with responsibility for its administration to see that, so far as possible within the limitations indicated, the basic objectives of the bill are fulfilled. I shall not hesitate to press for changes which may be necessary to assure that such purpose is accomplished.

NOTE: The Hospital Survey and Construction Act is Public Law 725, 79th Congress (60 Stat. 1040).

204 Statement by the President Upon Signing Bill Creating the Indian Claims Commission. *August 13, 1946*

I AM GLAD to sign my name to a measure (H.R. 4497) which removes a lingering discrimination against our First Americans and gives them the same opportunities that our laws extend to all other American citizens to vindicate their property rights and contracts in the courts against violations by the Federal Government itself.

This bill makes perfectly clear what many men and women, here and abroad, have failed to recognize, that in our transactions with the Indian tribes we have at least since the Northwest Ordinance of 1787 set for ourselves the standard of fair and honorable dealings, pledging respect for all Indian property rights. Instead of confiscating Indian lands, we have purchased from the tribes that once owned this continent more than 90 percent of our public domain, paying them approximately 800 million dollars in the process. It would be a miracle if in the course of these dealings—the largest real

estate transaction in history—we had not made some mistakes and occasionally failed to live up to the precise terms of our treaties and agreements with some 200 tribes. But we stand ready to submit all such controversies to the judgment of impartial tribunals. We stand ready to correct any mistakes we have made.

I hope that this bill will mark the beginning of a new era for our Indian citizens. They have valiantly served on every battle front. They have proved by their loyalty the wisdom of a national policy built upon fair dealing. With the final settlement of all outstanding claims which this measure ensures, Indians can take their place without special handicap or special advantage in the economic life of our nation and share fully in its progress.

NOTE: As enacted, H.R. 4497 is Public Law 726, 79th Congress (60 Stat. 1049).

205 Memorandum of Disapproval of Bill To Authorize Financial
Readjustments by Debtor Railroad Corporations.

August 13, 1946

I AM WITHHOLDING my approval of S. 1253, entitled "An Act to enable debtor railroad corporations, whose properties during a period of seven years have provided sufficient earnings to pay fixed charges, to effect a readjustment of their financial structures; to alter or modify their financial obligations; and for other purposes."

Even though I am familiar with the deficiencies and inequities and the evils that exist under section 77 of the present Bankruptcy Act, I fear that this new bill would not accomplish the purpose for which it was intended.

The bill contains two sections, the first of which contemplates the prevention of bankruptcy proceedings where practicable; the second contemplates the reorganization of certain railroad carriers by the institution of proceedings under section 1 of the bill for readjustment of their financial affairs.

Objections which I have to the bill include the following:

The bill fails to direct specifically the immediate reduction of the grossly excessive interest rates now wasting the funds of the railroads in section 77 proceedings. Millions of dollars per year can be saved at once for each of the railroads in section 77 proceedings, by reducing the interest rates on their bonds and other debt down to the level of the interest rates paid by railroads not in section 77 proceedings. I reiterate a statement which I made in my message to Congress on the state of the Union which is as follows, "low interest rates will be an important force in promoting the full production and full employment in the post-war period for which we are all striving."

The bill does not adequately cure the evil, present in reorganizations under section 77, of permitting improper control of railroads after their reorganization.

The bill fails to provide full protection against forfeiture of securities and investments.

The level of fees and expenses in reorganization cases under section 77 has been excessive. This is not corrected in this bill. Affirmative provisions to curb this evil and to bring it under strict control should be included in any bill which may be enacted.

The bill excludes from its benefits certain railroads which should be brought within its provisions if it is to become law. In this regard it appears that the fifty million dollar limitation in section 2 of the bill would exclude some railroads for whose exclusion there appears to be no logical justification.

This bill fails to correct a serious abuse which I condemned in the course of the Senate railroad investigation. I refer to the abuse of diverting, under cover of a reorganization plan, the funds of a railroad for the purchase of its own stocks in the market.

On the other hand, the bill does incorporate principles for which I was one of the sponsors in the Senate. I commend particularly the emphasis which the bill places on the principle that reorganizations must give primary consideration to the public interest, and to the best interests of the railroads which are being reorganized.

This requires among other things that reorganizations shall place control of railroads in persons primarily concerned with transportation for the communities served and for the nation as a whole, without any

strings direct or indirect, conditional or otherwise, to institutions or others in distant financial centers.

Such regard for the public interest will also help the stockholders, whether they be railroad employees who have invested in the stocks of the companies for which they work, or ordinary investors, desirous of safeguarding their investment, but not of helping any interest to capture control of their railroad. These stockholders, whom the bill justly seeks to protect against forfeiture, can and should get such protection, but without enabling any financial interest to use such legislation to acquire control.

By withholding my signature to this bill I do not intend to indicate that I favor the pending reorganization plans. I am in agreement with those objectives of the bill which prevent undesirable control of the railroads, either immediately or within a few years, and which prevent forfeitures of securities.

I believe that the next Congress can pass a bill which will meet the stated objections and which will be in the best interests of the public, the railroads, the bondholders and other creditors, and the stockholders.

HARRY S. TRUMAN

206 Statement by the President Upon Approving the Farmers' Home Administration Act. *August 14, 1946*

I HAVE TODAY approved H.R. 5991, the Farmers' Home Administration Act of 1946. However, I feel compelled to call attention to a provision of that measure which causes me grave concern.

Section 9 of the Act provides that "Any conveyance of real estate by the Government or any Government agency under this Act shall include all mineral rights." I do not concur with the objectives of this provision.

It is very important to the best interests of the Nation that fissionable materials in lands now under Federal ownership be reserved for the control and use of the United States. Section 5(b)(7) of the Atomic Energy Act of 1946 (Public Law 585, 79th Congress) provides for such reservations in disposals of public lands. Section 2 of Executive Order 9701 provides for such reservations in disposals of acquired lands.

It is equally important that the Government reserve ownership of oil, gas and other minerals critical to the national defense and

economy. Many of these minerals are both scarce and of vital importance to the country. Where the Government is disposing of lands which may contain these minerals, it should safeguard their prudent development by a reservation of mineral rights.

I have signed H.R. 5991 because of the great desirability of streamlining the administration of the Government's agricultural credit and related activities. In the future, however, I shall be extremely reluctant to approve legislation containing clauses which threaten to whittle away governmentally-owned mineral resources.

It is my hope that at its next session the Congress will take speedy action to repeal section 9 of this Act, together with the similar provision in section 4 of Public Law 563 of the 79th Congress, which I reluctantly approved on July 30, 1946, for like reasons.

NOTE: The Farmers' Home Administration Act of 1946 is Public Law 731, 79th Congress (60 Stat. 1062).

207 Statement by the President Upon Approving Bill To Expand Basic Research in Agricultural Problems. *August 14, 1946*

AGRICULTURAL MARKETING is the means by which we get food and fiber from our farms to consumers. Anything that increases efficiency in moving farm products to consumers is a material contribution to the nation's welfare. I note that this legislation has the support of producers, distributors, and consumers, and was passed by both Houses of Congress without a dissenting vote.

I consider it a major step for the improvement of the private agricultural marketing system of our country. In addition to work by the United States Department of Agriculture, grants to States are provided as well as authority for entering into contracts with other public and private agencies to accomplish the purposes of this Act. It provides for research on all types of agricultural problems, particularly on utilization of farm

products, and the improvement of marketing services.

It is to research that we must attribute much of our progress on the food front as well as on the battle front during the war. Now, as we move into a new period of peace, basic research and the application of the results become even more important. Our greatest peacetime agricultural problem is the efficient marketing of adequate quantities of the right kinds of foods and other farm products. The basic research provided for in this Bill will help solve the problem, and will be of great value to future generations.

NOTE: As enacted, the bill (H.R. 6932) "To provide for further research into basic laws and principles relating to agriculture and to improve and facilitate the marketing and distribution of agricultural products" is Public Law 733, 79th Congress (60 Stat. 1082).

208 Memorandum of Disapproval of Bill Reducing Federal Savings and Loan Insurance Premiums. *August 14, 1946*

I AM WITHHOLDING my approval of H.R. 4428 entitled, "An Act to adjust the rate of dividends paid by the Federal Savings and Loan Insurance Corporation on its capital stocks and to decrease the premium charge for its insurance."

The major provision of this bill provides for the reduction of the insurance premium paid to the Federal Savings and Loan Insurance Corporation. The premium would be reduced from one-eighth of one percent to one-twelfth of one percent. The legislative history of the original bill creating the Federal Savings and Loan Insurance Corporation indicates that the Congress originally

contemplated that the reserve of the Federal Savings and Loan Insurance Corporation should some day reach five percent of the insured risk, but after ten years of operation this reserve had reached less than one percent of the insured risk.

The Federal Savings and Loan Insurance Corporation has one hundred million dollars of government-furnished money. This amounts to a subsidy for the benefit of private institutions. It is particularly important, from a budgetary standpoint, that this money be returned to the government at as early a date as possible.

At the present time when such vigorous

efforts are being made to increase government receipts and reduce expenditures, prudent policy requires that the premium of the Federal Savings and Loan Insurance

Corporation should be maintained with the ultimate view of effecting the repayment of the one hundred million dollars to the Treasury.

HARRY S. TRUMAN

209 Memorandum of Disapproval of Bill Authorizing Certain Activities of the Bureau of Reclamation. *August 14, 1946*

I HAVE WITHHELD my approval of H.R. 5654, a bill "To provide basic authority for the performance of certain functions and activities of the Bureau of Reclamation".

Paragraph (e) of the bill is objectionable because, in addition to authorizing the payment of educational expenses of dependents of Federal employees in the vicinity of Boulder and Grand Coulee Dams, it provides for the payment of such expenses at the Davis and Seminoe Dam projects and at all other projects operated in part by the Bureau of Reclamation. The first authorization of this sort was contained in the Interior Department Appropriation Act, 1940, and covered payments to the Boulder City School District, Nevada, for the school years 1938-39 and 1939-40. While objectionable at that time, the provision could not be nullified except by a disapproval, which would not be justified, of the entire appropriation bill. In the Interior Department Appropriation Act, 1942, similar payments were authorized for the Mason City and Coulee Dam School districts, Washington. These authorizations have been continued in each annual appropriation bill since the dates of initiation.

Payments to the districts named have been authorized for so long a period now that I am not inclined to insist on the suspension of such payments. I am unable to agree, however, that a general policy should be established for the education, including transportation to and from school, at Fed-

eral expense, of the children of Federal employees at or near all Bureau of Reclamation projects. If such a policy were established for the education of the dependents of employees of one agency of the Government, its application to all agencies of the Government could not be successfully resisted. Its application to the Bureau of Reclamation, as proposed by this bill, is, in fact, discriminatory against the other bureaus and offices of the Interior Department.

Paragraph (h) of the bill is also objectionable. During the war years it was found expedient, as an aid to the winning of the war, to make provision for the acceleration of the development of raw lands on the Gila project in Arizona, and in the Coachella Valley, California. To that end permission was granted in annual appropriation acts for the Bureau of Reclamation to make expenditures for land leveling, construction of farm ditches and the production of soil building crops. Paragraph (h) of H.R. 5654 makes permanent the authorization for such expenditures in these two areas. It goes much further, however, by extending such authority to any and all other irrigation projects duly authorized by Federal law. It seems to me that such broad general authority is unwise and unwarranted. Moreover, such authority is likely to result in a duplication of certain functions which the Department of Agriculture and its constituent units are authorized and able to perform. Duplication

of this character can be avoided by the development of cooperative agreements between the two Departments, and I understand that steps are now being taken to perfect such agreements.

In the circumstances, I have withheld approval of this bill, but I would gladly approve a measure with the objectionable provisions eliminated.

HARRY S. TRUMAN

210 Statement by the President: The Jewish New Year.

August 15, 1946

TO ALL my fellow citizens of the Jewish faith I extend hearty greetings and good wishes on their New Year's Day.

Its celebration this year comes at a time when the United States and its allies are seeking to lay the foundation of lasting peace in the world. This task cannot be completed unless all persons, without distinction of race, language or religion, are made secure in the enjoyment of their inherent human

rights. To this end, the treaties of peace now being discussed bind the nations who warred against human freedom to guarantee to all their peoples freedom of opinion, freedom of expression, freedom of assembly and freedom of worship.

These freedoms are the heritage of centuries of civilization. All of us share the responsibility for seeing that they are extended to all mankind.

211 Memorandum of Disapproval of Bill To Abolish the Parker River National Wildlife Refuge. *August 16, 1946*

I HAVE WITHHELD my approval from H.R. 4362, "To abolish the Parker River National Wildlife Refuge in Essex County, Massachusetts, to authorize and direct the restoration to the former owners of the land comprising such refuge, and for other purposes," because in my opinion it would not be in the public interest to authorize the abandonment of this national wildlife refuge and, in any event, because the measure does not provide workable or equitable procedures for the restoration to the former owners of the lands in question.

The Parker River National Wildlife Refuge was established in order to fill a serious gap in the National refuge system for waterfowl and other birds. Because of the position of the coastal section of the State of Massachusetts on the migratory route of these

birds, the location of a national refuge in that section is directly related to the accomplishment of the national program for the protection of migratory birds, as authorized by statute and international treaty. The Parker River refuge is of real value, not only as a nesting and feeding area, but also as a breeding ground and wintering place, for several economically important species of game birds which are sought after by hunters in Massachusetts and many other States. Its site was selected only after a careful survey of the entire region for the purpose of determining the particular location best fitted for carrying out the protection program in that region. The need for a national wildlife refuge on the coast of Massachusetts, and the suitability of the Parker River area for refuge purposes are supported by convincing

scientific data, as well as by the opinions of outstanding biologists and wildlife conservationists.

I am advised that the Secretary of the Interior on June 12, 1945, conducted a formal hearing with a view to affording an opportunity to those opposed to the Parker River National Wildlife Refuge to present their objections. The findings of the Secretary, which include a review of the history of the refuge and a discussion of the issues presented, failed to disclose any real basis for the abandonment of the refuge. Subsequent hearings before the Committee on Agriculture of the House of Representatives indicated that, although certain individuals and organizations in the State of Massachusetts favored the abolishment of this refuge, others were strongly of the view that it should be retained in Federal control. The usefulness of the refuge, both locally and nationally, because of its strategic location with respect to the Atlantic flyway, was also stressed by national conservation organizations.

The acquisition of lands for migratory waterfowl refuges was authorized by the Migratory Bird Conservation Act of February 18, 1929 (45 Stat. 1222; 16 U.S.C. secs. 715-715r), as amended, and, in accordance with such authorization, a national refuge system has been in the process of establishment for some 15 years. As a condition precedent to the acquisition of the lands for migratory waterfowl purposes, the Migratory Bird Conservation Act requires (a) that the Migratory Bird Conservation Commission approve all of such acquisitions, and (b) that the State in which the lands are to be acquired shall have consented by law to the acquisition of such lands. Proceeding in accordance with the requirements of the act, the Migratory Bird Conservation Commission approved the acquisition of the

lands for the Parker River National Wildlife Refuge by actions of September 27, 1940, March 25, 1941, January 27, 1942, January 27 and December 10, 1943, and December 5, 1944. The State of Massachusetts previously had given its consent to the establishment of the refuge through its enabling act of April 7, 1931, which subsequently was amended in 1941 to require prior approval of such action by the Commissioner of Conservation. The approval of the Commissioner, though probably not necessary in view of the fact that the initial steps had been taken under authority of the earlier act, was obtained.

Acquisition of the lands for the Parker River National Wildlife Refuge began in 1940 and continued through the year 1944 when an action to acquire all of the remaining lands in the refuge area by condemnation was filed on December 30, 1944. Steps to acquire the lands through the institution of condemnation proceedings were taken primarily because of the almost insurmountable difficulties involved in the acquisition of nearly 500 small tracts of land, the ownership of many of which is unknown, through direct purchase. In the interest of both the former landowners and of the United States, a declaration of taking also was filed in the proceeding and the estimated value of the lands taken was deposited with the clerk of the court for the benefit of such former owners.

While title to all the property included in the condemnation action now is vested in the United States, the question of who formerly owned the individual tracts is a matter entirely within the jurisdiction of the District Court of the United States for the District of Massachusetts. The corollary questions of who is entitled to compensation for the taking of each tract, and who would be entitled to a reconveyance of each tract, as

proposed by the bill, are also matters entirely within the jurisdiction of the District Court. Until these questions have been judicially determined with respect to all the many tracts of unknown or uncertain ownership involved in the condemnation proceeding, it would be impossible for the Secretary of the Interior to act in accordance with the provisions of section 3(a) of the bill, requiring the reconveyance of title to the former landowners within a fixed time.

Moneys for the acquisition and development of the lands for the Parker River National Wildlife Refuge, as for many other similar refuges, are obtained from the special fund known as the Migratory Bird Conservation Fund. Although this fund represents the amount paid annually by all hunters of migratory birds, the bill makes no provision for the return to the fund of the purchase price of the lands that would be reconveyed

under the bill. Nor is any provision made for the recoupment of the value of improvements placed on these lands at the expense of the fund. Since the refuge was established for the protection of several species of migratory birds which annually are hunted by many persons along the Atlantic coast, and since the costs of its establishment are borne by all hunters of migratory birds, these omissions are clearly inequitable.

The Secretary of the Interior, at my request, is undertaking a study of the boundaries of the Parker River National Wildlife Refuge with a view to ascertaining whether some of the lands might not be eliminated without impairing the fundamental purposes of the refuge.

For these reasons I feel it is my duty to withhold approval from H.R. 4362.

HARRY S. TRUMAN

212 White House Statement on Palestine and on the Problem of Displaced Persons in General. *August 16, 1946*

ALTHOUGH the President has been exchanging views with Mr. Attlee on the subject, this Government has not presented any plan of its own for the solution of the problem of Palestine. It is the sincere hope of the President, however, that as a result of the proposed conversations between the British Government and Jewish and Arab representatives a fair solution of the problem of Palestine can be found and immediate steps can be taken to alleviate the situation of the displaced Jews in Europe. It is clear that no settlement of the Palestine problem can be achieved which will be fully satisfactory to all of the parties concerned and that if this problem is to be solved in a manner which will bring peace and pros-

perity to Palestine, it must be approached in a spirit of conciliation.

It is also evident that the solution of the Palestine question will not in itself solve the broader problem of the hundreds of thousands of displaced persons in Europe. The President has been giving this problem his special attention and hopes that arrangements can be entered into which will make it possible for various countries, including the United States, to admit many of these persons as permanent residents. The President on his part is contemplating seeking the approval of Congress for special legislation authorizing the entry into the United States of a fixed number of these persons, including Jews.

213 Statement by the President: Labor Day.

August 31, 1946

[Released August 31, 1946. Dated August 15, 1946]

THIS LABOR DAY is one of great importance. We can look into the future today with confidence, but not with tranquillity.

We still have a big job to do, and a long way to go, to assure the domestic prosperity and international understanding necessary to prevent depressions and war. But we can do it if we keep in our minds constantly that people are our most important asset. We must utilize them and conserve them.

The largest part of reconversion has been accomplished, and much of the credit for the job done goes to the workers of this great Union of states and free people.

Labor Day is a day set aside for labor by Act of Congress; a day to review the accomplishments of working men and women, and to restate the aims and ambitions and needs of all those who work with their hands and minds.

Since last Labor Day, these men and women have brought production to new peacetime highs. Their work has produced a flood of goods to meet the needs of the people who did without many essentials and most comforts during the war years. These consumers have upheld price and rent controls during the difficult postwar period of inflationary pressure, and at the same time, as industrial and farm and home workers, they have supported their stand with record production.

As a nation of working people, we can maintain and increase the large production and nearly full employment which we have attained, if we carry on together as we did during wartime.

Labor, management and farmers, with the help of government wherever it could be useful, have made this great start toward peacetime readjustment. If we continue to cooperate, to work, and to produce, we can attain a richness of life that will be a credit and a benefit to all of us now living, and a real hope and promise to those who come after us.

We must retain the safeguards against exploitation which labor won after the last depression. Labor must continue to have the opportunity, through free collective bargaining and free political action, to improve the lot of workers and to increase their participation in public affairs.

Labor, perhaps more than any other group, has consistently supported the objectives set forth in Franklin D. Roosevelt's memorable "Economic Bill of Rights." We must now move forward to full achievement of these objectives: useful and remunerative jobs for all; incomes high enough to provide adequate food, clothing and recreation; freedom from unfair competition and domination by monopoly; adequate health protection; more effective social security measures; and educational opportunity for all.

Labor, too, has been in the forefront of the battle to end intolerance and wipe out bigotries of race, creed and color.

I salute the hosts of labor for their magnificent job in wartime and in the beginnings of peace, and urge them on to further efforts in behalf of the rights and dignity of mankind.

214 Letter to the Chairman, American Veterans Committee,
Concerning Discrimination on the Campus. *September 4, 1946*

[Released September 4, 1946. Dated August 28, 1946]

Dear Mr. Bolte:

I appreciate your favorable response to the establishment of the National Commission on Higher Education and welcome your support of its work.

I am keenly aware of the fundamental problem of discrimination in education to which you have called specific attention, and of the broader problem of intolerance which this discrimination symbolizes. Those who sincerely desire to see the fullest expression of our democracy can never rest until the opportunity for an education, at all levels, has been given to all qualified Americans, regardless of race, creed, color, national origin, sex or economic status.

It was with this principle very clearly in mind that I asked the members of the Commission to consider "ways and means of expanding educational opportunities for all able young people." I am pleased that the Commission, in its first meeting recently concluded, has decided to deal specifically with this problem. I am sure that the members of the Commission will spare no effort in devising methods for eliminating existing barriers of discrimination affecting edu-

cational opportunity in our institutions of higher learning.

We have only recently completed a long and bitter war against intolerance and hatred in other lands. A cruel price in blood and suffering was paid by the American people in bringing that war to a successful conclusion. Yet, in this country today there exists disturbing evidence of intolerance and prejudice similar in kind, though perhaps not in degree, to that against which we fought the war.

Discrimination, like a disease, must be attacked wherever it appears. This applies to the opportunity to vote, to hold and retain a job, and to secure adequate shelter and medical care no less than to gain an education compatible with the needs and ability of the individual.

Very sincerely yours,

HARRY S. TRUMAN

[Mr. Charles G. Bolte, Chairman, American Veterans Committee, Inc., 1860 Broadway, New York 23, N.Y.]

NOTE: Mr. Bolte's letter, dated August 12, was released with the President's reply.

215 The President's News Conference of
September 5, 1946

THE PRESIDENT. I have no announcements to make this morning, so I suppose it will be a question-and-answer program.

[1.] Q. Mr. President, are there any plans for the international trial of Nazi industrialists at the termination of the pres-

ent trial?

THE PRESIDENT. They are working on the plans.

Q. Will that be for an international trial—

THE PRESIDENT. I can't answer that now.

I have no comment to make on that. We will make that decision when this trial is finished.

[2.] Q. Mr. President, at your budget seminar recently, you said you spoke to someone who had been making public statements that taxes could be reduced 20 percent in 1947; and Congressman Knutson having made so many statements was supposed to be the man you referred to—has asked you to clear up that question. Can you tell us who you did talk to?

THE PRESIDENT. I will say this to you, that that is one time I made an error. I was completely surprised when I saw Mr. Knutson's letter in the press. It was published before it reached me, therefore it was not necessary to answer it; but that was a mistake entirely—and the President makes them as well as anybody else.

I would like Mr. Knutson to tell me, however, how he could make that 20 percent cut.

Q. Did you speak with Knutson, sir?

THE PRESIDENT. Yes. I had been discussing the matter with three or four people previous to that, and it was just an error on my part, that was.

[3.] Q. Mr. President, on this Mead committee report on Canol, is it not true that no member of the Joint Chiefs of Staff, past or present, divulged what went on in the meetings of the Joint Chiefs of Staff, unless the President directs such disclosure? Specifically, about Admiral King?

THE PRESIDENT. That has been customary, of course, but the Canol project is a dead horse—was completely investigated and the report was made on it when I was chairman of that committee. Those investigations and reports were made for the purpose of preventing the digging up of dead horses. It doesn't do any good to dig them up any more. It has been decided to dispose of it.

Q. In other words, Admiral King—no

point in Admiral King testifying?

THE PRESIDENT. None at all.

[4.] Q. There are reports again that Price Administrator Porter has asked to be relieved of his job.

THE PRESIDENT. He hasn't—

Q. Has he asked you that?

THE PRESIDENT. —he hasn't asked me that. I don't think he will.

[5.] Q. Mr. President, would you like to implement the open covenant policy and tell us what you told the British on this Palestine problem—sometime ago now?

THE PRESIDENT. That has all been published, Felix.¹

Q. You made a reply, I believe, to Mr. Attlee that we never—never—

THE PRESIDENT. The substance of it was all made public. All I was trying to do was get a hundred thousand Jews into Palestine. Still trying to do that.

Q. Mr. President, on that subject, it has never been officially stated that our Government turned down the Grady-Morrison report, that I know of. Did we reject it, or didn't we?

THE PRESIDENT. It is still under consideration.

[6.] Q. Mr. President, will there be a special session on the price control—

THE PRESIDENT. I had not thought of calling any special session.

Q. Mr. President, there has been some suggestion that a special session be called to enact the Wagner-Taft-Ellender housing bill. Has that come to you, that suggestion?

THE PRESIDENT. No. No, that's the first time I have had that suggestion. I think these Congressmen are entitled to a campaign from now until election time, without interruption. [*Laughter*] That's what I propose to let them do.

¹ Felix Belair, Jr., of the New York Times.

[7.] Q. Mr. President, would you go along with the \$300 million loan to the Arab states, as proposed in the Grady-Morrison plan?

THE PRESIDENT. That was under discussion, and I would rather not make a comment on it until we decide on the whole program.

[8.] Q. Mr. President, you have under consideration the calling of another labor-management conference?

THE PRESIDENT. I have not.

[9.] Q. Mr. President, how does the Mead-Lehman ticket in New York suit you?

THE PRESIDENT. It suits me all right, and I think it will be elected. That question about Mead now has answered itself. Remember that adroit question that was asked me at my news conference? [*Laughter*]

Q. Mr. President, what will you—what do you plan to do to help aid Senator Mead in his campaign?

THE PRESIDENT. Well, I am going to say all the nice things I can about him. I think he is a good administrator.

Q. Can you tell us where you will speak during the campaign?

THE PRESIDENT. No. I haven't made any definite plans as yet.

Q. Will you go to New York, sir?

THE PRESIDENT. I don't want to answer that now.

[10.] Q. Mr. President, do you agree with Secretary Schwollenbach that the labor delegates on the ILO general conference should be alternated between the CIO and the A.F. of L.?

THE PRESIDENT. I didn't understand that?

Q. That Secretary Schwollenbach had said that he thinks the labor delegates to the ILO should be alternated between the CIO and the A.F. of L.? I wondered if you agreed with that?

THE PRESIDENT. That matter has been discussed, and it is still in the hands of the Secretary of Labor. Hasn't been put up to me as yet.

[11.] Q. Mr. President, does what you have said about Palestine this morning mean consultations are still under way between the United States Government and the British Government?

THE PRESIDENT. Yes. They are still going on in London.

Q. Are we sending observers to the conference with the Arab and Jewish groups?

THE PRESIDENT. No, we are not. We are not interested in that.

[12.] Q. Mr. President, are you planning to do anything personally in this maritime strike?

THE PRESIDENT. When it comes up to me.

Q. Can't hear you!

THE PRESIDENT. Probably will. That is still under consideration by the Labor Department.

That's on the maritime strike. He wanted to know if I was going to take any action on it. It hasn't been put up to me yet. It is still in the hands of the Secretary of Labor.

[13.] Q. Mr. President, probably I didn't understand you clearly, but is there any prospect of an extra session of Congress after the election?

THE PRESIDENT. I have no comment to make on that. I am not even considering an extra session of Congress—if that's a definite answer enough. [*Laughter*]

There is no emergency facing us now that necessitates an extra session of Congress.

[14.] Q. Mr. President, what do you think of the stock market?

THE PRESIDENT. I am not well enough informed on that to make a comment at this time. I am not—I have had no experience in the stock market on my own behalf. But

of course I am interested. I am very much interested. But I would rather not comment on it at this time, until I have more information.

Reporter: Thank you, Mr. President.

THE PRESIDENT. That's all right.

NOTE: President Truman's seventy-ninth news conference was held in his office at the White House at 10:30 a.m. on Thursday, September 5, 1946.

216 The President's News Conference of *September 12, 1946*

THE PRESIDENT. [1.] Miss Perkins will be a member of the Civil Service Commission. She takes the place of the retiring member of the Commission, Mrs. McMillin.

And, West Executive Avenue will be opened, as soon as it is convenient.

[2.] I notice here in the Star this afternoon a piece by Robert Lewis in which he says the White House denied approval of a \$60,000 carpenter shop. Now there are some improvements to the White House workshop, and that work should be made, but I had that postponed myself a month ago, because I thought the material might be needed for veterans' housing. A misapprehension in the piece.

[3.] I have got a proclamation on National Employ the Physically Handicapped Week. That proclamation is available for you as you go out, along with a statement issued by me on the same subject.

Now I am ready for questions.

[4.] Q. Mr. President, the Nation seems to be in a really hopeless spiral of paralyzing strikes—there seems to be a trend to increase wages and living costs. Does the President propose to take action to end that spiral?

THE PRESIDENT. The President has already taken action to end that spiral some time ago. I think the order was dated last February.

Q. Do you think it may be necessary, Mr. President, to—if that order is not being obeyed, to ask for new legislation?

THE PRESIDENT. Are you sure that the order is not being obeyed? I am not sure that it isn't being obeyed.

Q. I'm not, either, sir, but I think a great many people in the country wonder whether it's being obeyed?

THE PRESIDENT. Well, you work it out.

[5.] Q. Mr. President, in a speech for delivery tonight, Secretary of State—I mean Commerce—Wallace—[laughter]—has this to say about the middle of it, "When President"—

THE PRESIDENT. Well now, you say the speech is to be delivered?

Q. It is, sir.

THE PRESIDENT. Well, I—I can't answer questions on a speech that is to be delivered.

Q. It mentions you, which is the reason I ask, sir.

THE PRESIDENT. Well, that's fine. I'm glad it does. What was the question? Go ahead. Maybe I can answer it. [Laughter]

Q. In the middle of the speech are these words, "When President Truman read these words, he said that they represented the policy of this administration."

THE PRESIDENT. That is correct.

Q. My question is, does that apply just to that paragraph, or to the whole speech?

THE PRESIDENT. I approved the whole speech.¹

Q. The whole speech. Thank you, sir.

[6.] Q. Mr. President, from your long talk with Mr. Fitzpatrick this morning, I wonder if you have any conclusions you drew on the New York political situation?

THE PRESIDENT. No. I have—I was getting advice from Mr. Fitzpatrick on the New York situation. I wasn't giving him advice.

Q. I see. Have you any comment on what that advice was?

THE PRESIDENT. No comment on what he said. You talk to Mr. Fitzpatrick. He can answer for himself.

[7.] Q. Mr. President, when is there—is there going to be a break today from the White House on the maritime strike?

THE PRESIDENT. Mr. Steelman will have a statement to issue on that within the next hour, which will be available for all of you. That will cover the situation.

Q. Mr. President, in case the strike doesn't break, are any plans being made to get food and vital necessities to offshore areas?

THE PRESIDENT. I think that the truck

situation has practically settled that situation, according to the latest headlines that I saw in the afternoon paper.

[8.] Q. Mr. President, did you detect the trend in the Maine election, sir?
[Laughter]

THE PRESIDENT. I am no expert, but if the percentages are to be considered, the trend is toward the Democrats.

[9.] Q. Mr. President, going back to Mr. Fitzpatrick, did he request you to make any speeches during the campaign in New York?

THE PRESIDENT. Every State in the Union has asked me to make a speech in their State.

Q. How many States—

THE PRESIDENT. None of them. I don't think I will make any speeches in any particular State.

[10.] Q. Will Miss Perkins be Chairman of the Civil Service Commission?

THE PRESIDENT. She will not. She will be a member of it. The Chairman is still in charge of the Civil Service Commission.

[11.] Q. Mr. President, will this statement by Mr. Steelman—will it be the basis for a settlement?

THE PRESIDENT. Yes.

Q. Mr. President, will it announce a settlement?

THE PRESIDENT. It will not.

[12.] Q. Mr. President, I didn't catch your answer about speeches?

THE PRESIDENT. I have no plans for any speeches. The plans are still in the embryo stage. I haven't agreed to make a speech anywhere.

Q. That doesn't preclude the possibility, sir, that you might make a tour?

THE PRESIDENT. It does preclude that possibility.

Q. It does?

THE PRESIDENT. There will be no tour.

¹ On September 14 at 2 p.m. the President called the newsmen into his office at the White House and read to them the following statement:

"There has been a natural misunderstanding regarding the answer I made to a question asked at the Press Conference on Thursday, September twelfth, with reference to the speech of the Secretary of Commerce delivered in New York later that day. The question was answered extemporaneously and my answer did not convey the thought that I intended it to convey.

"It was my intention to express the thought that I approved the right of the Secretary of Commerce to deliver the speech. I did not intend to indicate that I approved the speech as constituting a statement of the foreign policy of this country.

"There has been no change in the established foreign policy of our Government. There will be no significant change in that policy without discussion and conference among the President, the Secretary of State, and Congressional leaders."

Q. Whatever speeches—will be made from Washington?

THE PRESIDENT. That is probable.

Q. Mr. President—

THE PRESIDENT. Still isn't decided. What was the question back there?

[13.] Q. Mr. President, do you regard Wallace's speech a departure from Byrnes' policy—

THE PRESIDENT. I do not.

Q. —toward Russia?

THE PRESIDENT. They are exactly in line.

[14.] Q. Mr. President, last year you promised Roy Harper and others that you would come back to Caruthersville this year.

THE PRESIDENT. I still have that under consideration, but I haven't made any decision on it as yet.

[15.] Q. Mr. President, Mr. Fitzpatrick said that the Democratic ticket has mildly electrified the people. Is that—in New York—is that your impression of it too?

THE PRESIDENT. He didn't say *mildly* to me. He left that qualifying word out. He said it had electrified the people.

Q. Well, let's leave it out then.

THE PRESIDENT. That's what he said to me.

Q. Electrified the people.

THE PRESIDENT. That's right.

Q. Do you think that is correct?

THE PRESIDENT. Well, I have to take his word for it. He is the Chairman for New York, therefore that is where I get my advice.

[16.] Q. Mr. President, Field Marshal Montgomery seems to be pointing it up that the Combined Chiefs of Staff is still in existence. Have you given—

THE PRESIDENT. Why does he point that up? Did General Eisenhower's visit to Brazil point it up? Field Marshal Montgomery just made a trip here, to pay a friendly visit to this country, as Eisenhower and our admirals have been doing in South

America and other countries. There was nothing, so far as I know, significant about it except a friendly gesture between two allies.

[17.] Q. Mr. President, on that thing, West Executive Avenue opening up, sir, did you say "as soon as convenient"? Would you pinpoint that for us?

THE PRESIDENT. It won't be very long. As soon as the details can be worked out with the Commissioners and with the State Department, it will open.

[18.] Q. May I finish that question on the Combined Chiefs, Mr. President?

THE PRESIDENT. Yes.

Q. Then are we to assume that the Combined Chiefs will continue in *status quo*, perhaps at least until the official end of the war?

THE PRESIDENT. Surely.

[19.] Q. Mr. President, will Mr. Steelman's statement be a modification of the stabilization policy?

THE PRESIDENT. It will not.

[20.] Q. Mr. President, is Max Gardner being considered for the Atomic Control Commission?

THE PRESIDENT. No, he isn't. I was asked that question once before. I have Max Gardner where I want him to stay.

Q. Mr. President—

Q. Mr. President, do you intend to make an early recess—

THE PRESIDENT. One at a time, please! [Laughter]

[21.] Q. I'm sorry. Do you have any comment, Mr. President, on the dispute in Panama over American bases there?

THE PRESIDENT. No comment. That is a matter that has to be worked out by the State Department.

Q. Mr. President—

THE PRESIDENT. The gentleman back there, let him ask his first. [Laughter]

[22.] Q. I have a Puerto Rican question here, sir.

THE PRESIDENT. All right. Fire away. [More laughter]

Q. Do you intend to make an early recess appointment of a Commissioner of Education for Puerto Rico?

THE PRESIDENT. Yes, I do.

[23.] Q. Mr. President, getting back to the maritime situation again, is what Mr. Steelman going to announce—is it a Government suggested plan for settlement of the thing?

THE PRESIDENT. Well now, Merriman,¹ let Mr. Steelman's statement speak for itself, and then there can't be any possible chance of a tangle. That statement will specifically state what it means.

¹ Merriman Smith of the United Press Associations.

Q. May we see Mr. Steelman afterwards?

THE PRESIDENT. Mr. Steelman will not talk to you until the statement is issued.

Q. Afterwards?

THE PRESIDENT. You can talk to him then any time you want. He is busy at the moment. [Laughter]

Q. Yes! [Mr. Steelman was sitting on the couch] [More laughter]

Q. Do you know what the statement is?

THE PRESIDENT. Let John speak for himself.

Q. Is he sitting on the statement now? [More laughter]

THE PRESIDENT. That is possible. That is possible.

Reporter: Thank you, Mr. President.

NOTE: President Truman's eightieth news conference was held in his office at the White House at 4 p.m. on Thursday, September 12, 1946.

217 Statement by the President on Employment of Disabled Veterans and Other Handicapped Persons. September 12, 1946

ONE OF TODAY'S major challenges is the finding of suitable employment for disabled veterans and other handicapped workers. This is a major reason why a proclamation was issued today declaring the week of October 6-12 National Employ the Physically Handicapped Week. Although many government and private organizations are participating in this particular week's activities and all of us are concerned, only the employers of the Nation can meet this challenge.

There are now listed with the United States Employment Service approximately 225,000 disabled veterans, in addition to 75,000 other physically handicapped persons who are seeking employment. As long as

they are not gainfully employed they represent a substantial loss to the productive capacities of our country.

The United States Employment Service has the facilities to counsel, select, and refer these disabled veterans and other impaired workers to employers. By matching the physical capacities of the applicant with the requirements of the job, USES can refer these useful citizens to jobs in which they can do as good or better work than unimpaired persons. But USES cannot bring jobs and disabled veterans and other handicapped workers together unless employers list their employment needs with USES.

I ask the cooperation of every employer in meeting this challenge. The employment of

disabled veterans and other handicapped workers in suitable jobs is not a matter of sentiment or charity. It's good business.

NOTE: The President referred to Proclamation 2703 (3 CFR, 1943-1948 Comp., p. 94).

218 Remarks at a Meeting With the National Conference of Business Paper Editors. *September 13, 1946*

IT'S A PLEASURE to have you here again, and to meet you all. I have nothing particularly new to tell you, except that one thing I think you will be interested in is the setup of this new Economic Council which was authorized in what they call the full employment bill—which is rather a farfetched title for it. The Council is intended to keep us abreast of trends nationally and internationally. It is working now almost full blast, in cooperation with the Federal Budget Director, and is beginning to make some of its surveys. Its first report, in all probability, will go in with the Budget Message to Congress in January.

It will, from then on, give us a chance to look into our national resources, and our national income, and business over anticipated periods, with an idea of cushioning the situation, when necessary, by the policies of the Federal Government. We hope—before we get through—to find out just what are the total assets and liabilities of the United States as a nation.

And I think we are off to a start that will accomplish the purpose. We are trying, also, to make the Federal Trade Commission operate in the manner in which it was intended to operate when they set it up. The Federal Trade Commission, over a period of years, has been to some extent neglected. We are trying to reorganize and revitalize the Commission in such a way that it will be an asset to business. We want to help you find out what the law is, instead of having you run every time you see a

Federal Trade Commissioner coming to look you over. I am talking about the business interests of the country particularly, which you represent and for which you speak.

And I don't know of anything further that—

[At this point Paul Wootton, President of the National Conference, interposed and asked if this were not the first time in all history that there had been recognition that the Federal Government had an obligation for employment.]

Well, officially, yes. I think the Employment Act of 1946 is the first legislative enactment with the idea of using the whole resources of the country to make the country run better. And of course that entails employment and everything else that goes with it. It also entails a policy that will encourage business to function efficiently, instead of having Government and business at loggerheads and fighting each other all the time.

We have Government principally to act as, say, an umpire, to see that everybody gets a square deal. That is the ideal situation sought by the Constitution of the United States, which in my opinion is the greatest document the Government has ever written. It took us about 80 years to get a good start and to make it operate, and we are still trying to make it operate efficiently. I think we are gradually approaching a situation where we shall have peace in the

world, with the United Nations Organization operating on the basis of a constitution for the whole world. We are going to make atomic energy a weapon of peace. We must get that mental attitude—live and let live—

love one another—but then I didn't intend to preach a sermon.

I thank you.

NOTE: The President spoke in his office at the White House at 12:30 p.m.

219 The President's News Conference on Foreign Policy. *September 20, 1946*

THE PRESIDENT. I am going to read you a statement on foreign policy.

"The foreign policy of this country is the most important question confronting us today. Our responsibility for obtaining a just and lasting peace extends not only to the people of this country but to the nations of the world.

"The people of the United States may disagree freely and publicly on any question, including that of foreign policy, but the Government of the United States must stand as a unit in its relations with the rest of the world.

"I have today asked Mr. Wallace to resign from the Cabinet. It had become clear that between his views on foreign policy and those of the administration—the latter being shared, I am confident, by the great body of our citizens—there was a fundamental conflict. We could not permit this conflict to jeopardize our position in relation to other countries. I deeply regret the breaking of a long and pleasant official association, but I am sure that Mr. Wallace will be happier in the exercise of his right to present his views as a private citizen. I am confirmed in this belief by a very friendly conversation I had

with Mr. Wallace on the telephone this morning.

"Our foreign policy as established by the Congress, the President, and the Secretary of State, remains in full force and effect without change. No change in our foreign policy is contemplated. No member of the Executive branch of the Government will make any public statement as to foreign policy which is in conflict with our established foreign policy. Any public statement on foreign policy shall be cleared with the Department of State. In case of disagreement, the matter will be referred to me.

"As I have frequently said, I have complete confidence in Mr. Byrnes and his delegation now representing this country at the Paris Peace Conference.

"Mr. Byrnes consults with me often, and the policies which guide him and his delegation have my full endorsement."

That's all, gentlemen.

Reporter: Thank you, Mr. President.

THE PRESIDENT. That's all right.

NOTE: President Truman's eighty-third news conference was held in his office at the White House at 10:46 a.m. on Friday, September 20, 1946.

220 Statement by the President Concerning the National Wage Stabilization Board. *September 21, 1946*

THE NATIONAL Wage Stabilization Board will continue to administer the wage stabilization program.

I asked the Advisory Board of OWMR this week to add to its agenda a study of the wage stabilization program. This Board has been studying problems of Government expenditures, the shortage of certain materials, and the over-all inflationary problem. The Advisory Board will, of course, consult in detail with the Wage Stabilization Board on this new topic as it has been doing from time to time in the past.

The Advisory Board, as the name implies, is not an administrative agency. It was established by the Congress to advise the President and the Director of OWMR on broad problems of national reconversion policy.

NOTE: The National Wage Stabilization Board had recently reaffirmed a decision denying a wage increase to seamen, and the latter had called a strike in protest against the agency's ruling. As reported in the New York Times on September 13 William Green, president of the American Federation of Labor, had termed the Board's attitude "dictatorial" and had predicted the resignation of several members.

221 Remarks to a Group of Democratic Congressional Candidates at the White House. *September 24, 1946*

I AM of course interested in the political welfare of every one of you. When Congress is in session, there are 531 Members here, and the President usually passes out the word that the door is open to see him at any time on any business that affects the business of the Government. So when you come to the Congress, if you will discuss the matter with the Secretary who makes the appointments, a way can always be managed so that you can call on the President for any subject you want to discuss. Of course, it may be sometimes deferred for some time, for the simple reason that there are only so many 15-minute periods in a day, and we can't make the clock unwind any more.

But it is absolutely essential, in order that the program of the Democratic Party as outlined in the platform adopted in 1944 which I helped to write—and I was a member of that original committee—may be carried out, that we have a Congress that is in sympathy

with what that platform calls for.

Now we have made some progress on that platform since 1944. There are still a lot of things to be done. And in talking to your constituents, tell them that you are interested in carrying out the program of the Democratic Party, which has always been the party of progress, and always will be the party of progress. I don't see how any voter who thinks at all could vote for the Reece-Taft-Crawford program. It is just impossible. The difficulties with which we are faced now are due in part to the obstructionist tactics of those gentlemen.

All you need do is to read the record, and study a little history, and you will find that the best reason in the world for your election is the welfare of the United States. Right now we are in just as great an emergency—and have been ever since V-J Day—as we were when Pearl Harbor happened; and that emergency will continue until we can get

peace and production. That's all we want. That's the program of the Democratic Party—peace in the world, and a production program that will help rehabilitate that

world. It will never be necessary to have unemployment if the program of the Democratic Party as outlined in 1944 is carried out. That's all I need to say to you.

222 Remarks to Members of the U.S. National Commission for UNESCO. *September 25, 1946.*

Thank you Mr. Benton:

I have to keep this handshaking arm in good trim during election year—and to a bipartisan group it's good exercise!

It's a pleasure to have you here. I think this organization can, if it will, contribute as much as any other organization—in connection with the United Nations—to the peace of the world.

It is understanding that gives us an ability to have peace. When we understand the other fellow's viewpoint, and he understands ours, then we can sit down and if there are differences work them out.

If there is no understanding, there can be no peace; and if there is no education, there can be no peace. If we can exchange educators with all the countries in the world, and send ours to those countries to show our viewpoint, it won't be long until we have the world situation as we have it in the 48 States—we don't have any difficulties, or any insoluble difficulties, between the 48 States that can't be settled on a peaceful basis.

The reason for that is that we understand each other.

I am extremely interested in this organization. I think it can make the greatest contribution in the history of the world to the welfare of the world as a whole, if it really goes at it in the spirit that is intended.

From what Mr. Benton has told me about the people you have elected to your official positions, I believe that you are on the road to do the job. That's all I ask of you.

There are two things in the world I want above everything else—peace in the world and unity at home. That's what I have been fighting for since I have been here. That's what President Roosevelt was fighting for while he was here.

You can make that contribution on a world basis. I want you to do it.

Thank you very much.

NOTE: The President spoke at the White House. His opening words "Mr. Benton" referred to William Benton, Assistant Secretary of State for Public Affairs.

223 The President's News Conference of *September 26, 1946*

THE PRESIDENT. [1.] I have been somewhat disturbed by the comments on the meat situation, and since I happen to know of my own knowledge something about the meat situation, and since I have been from a

meat-producing State, and have been—during the early years of the war—into it in detail, I am now and for some time have been looking into this present meat shortage.

In July and August, when there was no

price control on meat, meat was abundant. Now there is price control, and meat is short. It is natural, therefore, for people to blame the shortage on price control. This line of reasoning is wholly wrong.

The fact is that the present shortage is due in large part to the extraordinarily large slaughter in July and August. Without price control, prices of the relatively short supply of livestock went to unprecedented heights. A lot of livestock was rushed to the market because of these prices, and because it was known that the controls were likely to be restored. Many of these cattle would normally have been fed to heavier weights and have gone to market during September and October, instead of August.

And those underfed cattle that were sold added to the shortage—there was that many fewer pounds of meat when they were slaughtered.

Whether price control had been restored or not, the glut of meat in the summer was bound to mean a shortage in the fall, especially on desirable cuts and grades. Besides, with the restoration of price controls after a period of uncertainty and confusion, it was only natural that livestock growers would hesitate to send their animals to market. Producers would naturally hope that something might happen to give them higher prices again.

Mr. Anderson dispelled that idea the other night in his speech.

To the extent that livestock is going into feed lots and being fed to higher grades and better weights, the result will be a greater quantity and better quality of meat in the near future than would be the case if there had been a further continuance of the premature marketing of livestock.

That's just in line with what I told you about, that they were worth more when they were short.

Also, the normal run of grass-fed cattle, which occurs in the early fall, should soon begin to appear, with a consequent improvement in the meat supply.

But I want to say to you that the fat grass-fed cattle supply is also short, for the simple reason that there was a drought in the Southwest beginning in June, which dried up most of the grass, so the ordinarily large supply of grass-fed cattle will also be short; although what there is of the grass-fed cattle will be shipped in October.

I know about these things, for I lived in one of the greatest cattle growing States in the country most of my life, and I spent all of my young days feeding cattle and livestock and hogs, so I know what I'm talking about on this. [*Laughter*]

The fall run of hogs which normally begins in October may be somewhat later this year because of the prospects of a record corn crop, and the resulting opportunity for profit from feeding to heavier weights. Ordinarily, the heaviest hog slaughter occurs in the period from October through February, during which over half of the total yearly slaughter customarily takes place.

You see, there are two crops of pigs in this country, in the spring and in the fall. Fall hogs you feed through the winter.

In spite of the outlook for temporary relief in the next few months, it is hard to predict what may happen in the spring.

Now this meat shortage, to some extent, is due to the fact that we were willing to ship some of our short grain supplies to those countries where people were starving to death. All this dovetails in together.

It is very possible that there may be periods in various parts of the country when meat is scarce. Certainly, however, the dire predictions of a meat famine are without basis.

I want to repeat that the difficulties with

our meat supply cannot be laid at the door of price control. If, as I had urged upon the Congress, the price control legislation had been reenacted in the early spring, many of these difficulties would have been avoided. It is clear, however, that the present level of livestock ceilings as determined by the Secretary of Agriculture is fair and equitable, and one which should be sufficient to bring forth the maximum production of meat. An increase in prices or abandonment of price control on meat now would, in the long run, add to rather than solve our difficulties.

Now that will be available for you for distribution as soon as it can be mimeographed. I was slow in getting it ready, but it will be ready for you.

Q. Mr. President, there's a meat shortage at present—

THE PRESIDENT. Yes, there's a meat shortage at present.

Q. —which housewives don't understand.

THE PRESIDENT. That's right.

Q. When you say that dire predictions of a meat famine are without basis, you mean that fairly soon we will have some meat?

THE PRESIDENT. That's right.

Q. Can't hear Mr. Godwin back here.

THE PRESIDENT. Mr. Godwin asks if there is a meat shortage now; and of course there is a shortage of meat now. He wants to know if it is a meat famine. I say it is not a meat famine. It is a shortage but not a famine. There is some meat for distribution.

Q. Mr. President, several of us have just come from the Executive Committee meeting of the Democratic National Committee. At their lunch today the Executive Committee passed a resolution unanimously which ends, "It was the consensus of the meeting that the Chairman immediately discuss with the Decontrol Board and any other proper authorities, ways and means of increasing the

meat supply available to the American people."

THE PRESIDENT. My statement—

Q. The only thing that Chairman Hannegan would discuss with the Decontrol Board would be taking off the price control from meat, would it not?

THE PRESIDENT. Yes—and it is my opinion, with all the facts before me, that that would not help the situation, but would hurt it in the future.

Q. You differ with Mr. Hannegan on that point?

THE PRESIDENT. I have the facts right here in my statement. If Mr. Hannegan does not agree with them, of course he and I do not agree.

Q. Mr. President, can the Decontrol Board act independently in this matter, or does it have to—

THE PRESIDENT. No, there is a certain procedure which has to be gone through.

Q. It has to have a recommendation from somebody—

THE PRESIDENT. That's right.

Q. Mr. President, Congressman Sabath adds another element to this meat situation. He sent a telegram to the Attorney General today, which charged that the packers are conducting an organized strike of organized greed against the American people. Do you see any signs of such a thing as that?

THE PRESIDENT. I don't know anything about it, if there is. Mr. Sabath is in Chicago. He is closer to the situation. I don't know anything about that. That's not in these—taken into consideration in these facts [*pointing to his statement*]. I don't think—these are the facts really, as the situation stands.

Q. Mr. President, you think that meat will be substantially available in the near future?

THE PRESIDENT. I think so, yes—if the

people will just be patient and let this thing catch up with itself. It's that panic when the price control went off that has caused this situation.

Q. Summing all this up, you are opposed to the removal of price control?

THE PRESIDENT. I certainly am. And I tried to get the Congress to agree with that beginning last September—a year ago.

Q. Mr. President, do you think that there is a possibility that meat cattle raisers are deliberately holding cattle off the market—which normally would come to market—for the purpose of panicking the country and forcing the end of price controls on meat?

THE PRESIDENT. I don't know as to that. I have made no investigation. That is entirely possible, however.

Q. Do you think it is possible, now that you and Mr. Anderson have made it clear that there isn't going to be a break in the ceiling, that the price of meat may come down?

THE PRESIDENT. I am very sure that that is the case. That's the reason that I am trying to make it perfectly plain just what the situation actually is.

Q. Mr. President, that bill you vetoed provided for meat control, did it not?

THE PRESIDENT. I can't remember. I can't answer that intelligently without taking a look.

Q. Mr. President, the statement you just read at the outset is for direct quotation?

THE PRESIDENT. Yes. It will be furnished to you as soon as we can have it mimeographed. That's the facts as they are, and I can guarantee that that's the facts, because I know.

Q. But by "in the near future," does that mean—would you say something more specifically than near future?

THE PRESIDENT. No, I don't think you can, because nobody can tell you exactly what

date it will be. It depends on how the cattle come to market.

[2.] Q. Mr. President, did you see John McCormack's telegram on the statement that he made?

THE PRESIDENT. I saw the purported statement, and Mr. John McCormack was talked to by my Secretary. He said he didn't make any such statement. I told him to get in touch with me.

Q. Didn't make?

THE PRESIDENT. That's right.

Q. Mr. President, is there any likelihood that Congress will be convened in special session?

THE PRESIDENT. I see no reason for it.

Q. You mean Mr. McCormack hasn't seen you about it?

THE PRESIDENT. No. He said he didn't make any such statement.

Q. His statement had several parts, Mr. President. You mean the part about his consultation——

THE PRESIDENT. Consultation with me. That's the only part in which I was interested.

[3.] Q. Well, what about your new Ambassador to Great Britain, have you decided on him?

THE PRESIDENT. No, I have not.

Q. You haven't reached a decision?

THE PRESIDENT. No, I haven't reached a decision. I will let you know as soon as I do.

[4.] Q. Members to the Atomic Energy Commission, Mr. President?

THE PRESIDENT. I haven't reached a decision on that as yet. As quickly as I can get that together, I will let you know about it.

Q. Would that apply, Mr. President, to the possibility of Bob La Follette coming in——

THE PRESIDENT. I have no statement today to make on the Atomic Energy Commission.

[5.] Q. How about TVA?

THE PRESIDENT. No statement.

[6.] Q. Mr. President, the War Department has announced that infantry task forces are operating in Alaska and the Aleutians for training and testing of equipment. The Army Air Forces, which hasn't made any such announcement, is also sending a good deal of equipment up there. I wondered if you could say anything about that?

THE PRESIDENT. No, I can't.

[7.] Q. Mr. President, have you any comment to make on Mr. Stalin's recent statement on international affairs?

THE PRESIDENT. The statement speaks for itself. I have no comment.

Reporter: Thank you, Mr. President.

NOTE: President Truman's eighty-fourth news conference was held in his office at the White House at 4:05 p.m. on Thursday, September 26, 1946.

224 Remarks to the Cadet Corps at West Point. *September 28, 1946*

General Taylor, General Higgins, members of the Cadet Corps:

It is a pleasure and a privilege to me today to pay you an official visit as the Commander-in-Chief of the Armed Forces of the United States of America. In my youth many, many years ago, I had hopes of being a member of this Corps. I didn't make it. I am sure—morally certain—that if I had made it, I think I would have made a good officer, at least I would have tried.

We are facing a situation now which every country has faced after a terrible emergency. We are facing the situation now that we faced after World War I, that we faced after the War Between the States, and that we faced after the war for the freedom of the Colonies. It is nothing new. There is going to come a time now when people are going to be sorry that they ever saw a soldier or a sailor or a marine. Don't let that worry you. We are going to need leadership now, and from now on, just as badly as we have needed it in this great emergency through which we have just been.

I want to say to you young gentlemen that leadership is naturally ingrained into some men. My definition of leadership is: It is that quality which can make other men

do what they do not want to do, and like it. That is your duty. That is going to be your job. That doesn't mean that your leadership has to be confined entirely to your military education. Some of our greatest civilian leaders right now are men who have been trained to a military leadership. Three shining examples: General Marshall who is now in China doing a wonderful job for the Government of the United States, and General Bradley, and Admiral Moreell who has just retired from service. Those gentlemen have been doing peacetime jobs that were just as important as their wartime jobs.

We are looking forward now to a permanent peace. We believe that we are going to have a permanent peace. That is what we are working for. Nevertheless, we will still need the leadership which is being ingrained into you young gentlemen. Bear that in mind. Give the country the best you have, and no matter what they may say about you for wearing a uniform in the future, maintain that dignity that goes with the leadership that has made this country great, and then you will earn your salt which the Government is now giving you.

Thank you.

NOTE: The President spoke from a balcony in Washington Hall at the U.S. Military Academy, West Point, N.Y., at 12:40 p.m. His opening words "General Taylor, General Higgins" referred to Maj.

Gen. Maxwell D. Taylor, Superintendent of the Academy, and Brig. Gen. Gerald J. Higgins, Commandant of the Cadet Corps.

225 Radio Address Opening the Annual Campaigns for the
Community Chest and the United Service Organizations.
October 1, 1946

[Delivered from the White House at 10:30 p.m.]

My fellow citizens:

Tonight, although I am speaking to the whole Nation, I am thinking of my hometown, and I hope as you listen each one of you will think of your hometown. I speak for the American community, and for two great organizations that grew out of it and are a part of it: the Community Chest and the United Service Organizations.

The Community Chest inspires all citizens to work together and give together for the health and happiness of the whole community. And the USO is one of the most notable examples in our day of a generous community spirit which goes beyond hometown boundaries—a spirit which brings the universal hometown touch to millions of service men and women who are far from home.

During these next few weeks, in cities and towns all over this country, more than a million volunteers—men and women—will ask their fellow citizens to give generously to a great project—that of raising \$170,000,000 by voluntary gifts, to maintain the work of Community Chest Red Feather health and welfare services.

We must continue to provide neighborhood services and neighborhood hospitality to our home folks still away from home. Our people still engaged in the "unfinished business" of the war need the USO. That is why, at the urgent request of General

Eisenhower, Admiral Nimitz, General Bradley, and the service men and women themselves, I have personally asked the USO to continue its work through 1947.

Picture to yourself the folks served by the USO. There is your hometown veteran, lying in the hospital with a fractured spine, or having his face remodeled to remove the effects of a Jap or Nazi shell, or learning to use artificial arms or legs. USO Camp Shows come to his bedside regularly with entertainment and cheer. There are more than 200,000 men like him in Army, Navy, and Veterans hospitals.

There is the young soldier, just inducted, not very sure of himself. He needs a place to relax, to have good, honest fun; a place where he can meet the kind of men and women you would want him to meet at home. The USO provides that place.

There are the service men and women overseas, longing for the little things that mean home. There are soldiers and sailors on pass or furlough, who need lodgings or a snack to eat between trains. There are service wives and families, traveling to meet their loved ones. Those are the people you help when you give to the USO.

I like the campaign slogan this year: Everybody Gives, Everybody Benefits. It marks a significant change in our thinking about the word "charity." Today our contributions to the Community Chest are not

alms given by the wealthy few to the poor. This Government, through its public welfare program, has long since accepted its responsibility to see that no citizen need face hunger, unemployment, or a destitute old age.

The word "charity" has regained its old, true meaning—that of good will toward one's fellowman; of brotherhood, of mutual help, of love. Our Community Chest contributions will go to the needy only in the sense that we are all "needy" at some time, in some way. Children need the shelter of home and loving care; boys and girls need healthful outlets for young energies; old age needs comfort and kindness. Everyone may at some time need Red Feather services. Their presence in your community means that your needs and those of your neighbors will be met.

There is another important thing that we need. We need to demonstrate to ourselves and to the world that unity and good will

are not just words; that they really work. In your own hometown the success of the Community Chest campaigns is convincing proof that they do. Here you will find the very elements of unity toward which the United Nations are even now patiently striving. In your Community Chest campaign you will find people of all religious creeds, all political parties and racial backgrounds, in all walks of life, united in a common purpose. Here indeed people find common ground. They forget the many small things that divide them; they remember the one great thing that unites them: their common humanity.

As President of the United States, I urge prompt, wholehearted, and universal support of your local Community Chest and USO campaigns. Let us set the rest of the world an example in community cooperation. Let us all give, and give generously, in response to these two great appeals.

226 The President's News Conference of *October 3, 1946*

THE PRESIDENT. [I.] I want to call your attention to some highlights in Mr. Steelman's report.¹ There is so much smoke and fire politically going on all the time in the country that unless you have the facts brought home to you once in a while, you forget what they are. All of us should be proud of what we have done so far. Here are some of the milestones:

[*Reading, not literally*]: "Of the total labor force of 60 million, 58 million have

jobs. For most of the 2 million who are looking for work, the periods of unemployment are short, and in most cases unemployed workers draw compensation while they are looking for new jobs.

"Ten million veterans are gainfully employed today, compared with only 2 million at work on V-J Day—a gain of 8 million jobs for veterans in a year. But the total of unemployed veterans is still higher than any of us like to see it—about 900,000 or almost half the total of the unemployed. It is the Nation's responsibility to see to it that veterans looking for jobs get satisfactory employment at the highest level of their skills and at good wages.

¹ "The Second Year of Peace, Eighth Report to the President, the Senate & the House of Representatives by the Director of War Mobilization and Reconversion," dated October 1, 1946 (Government Printing Office, 1946, 76 pp.).

"More than 800,000 veterans are enrolled in college this fall and are receiving the education their country promised them under the GI bill of rights.

"More than 350,000 dwelling units have been completed and are ready for occupancy under the Veterans' Emergency Housing Program. This record is creditable, but we are going to make it better. The reconversion agencies are doing their utmost to speed up the construction of veterans' housing of all types.

"And business profits, after taxes, are at an all-time high in the Nation's history, in spite of the fact that in some important industries they are still lagging. Income payments to individuals are also the highest in total they have ever been. Farm income, too, is at record levels. Consumer spending is high—the public is spending at the rate of \$126 billion a year for consumer goods and services, and more than 20 percent over the war peak, and more than 60 percent over the prewar peak.

"Since V-J Day, total production of goods and services by private industry has moved steadily ahead, and has now reached the annual rate of \$172 billion. Making allowances for increased prices, consumer non-durables such as food and clothing are still being produced and sold at a very high level. Good progress has been made in the production of many consumer durable goods—we have already surpassed 1940 or 1941 production levels in the case of electric irons, vacuum cleaners, passenger and truck tires, electric ranges, washing machines, radios, trucks, and buses. Production curve of refrigerators, passenger automobiles, gas ranges, and sewing machines is rising, and during the next few months we should have an increasing flow of these and other finished goods.

"All this adds up to a splendid achieve-

ment. But we must not pause to congratulate ourselves. A difficult struggle lies before us. We must do our utmost to keep industrial peace, to maintain production at present levels where it is high, and to spur it to higher levels where it is lagging.

"I hope every businessman, worker, farmer, and consumer will take to heart this sentence from Mr. Steelman's report: 'An all-out emphasis on production of finished goods, and on preventing a further increase in prices, is the task immediately before us.'"

You have copies of that outside for you. Those are the facts, and I think you ought to stick to the facts when you are commenting on this situation.

[2.] Q. Mr. President, I noticed yesterday that the Treasury reported that for the first time in years, the first quarter of this current fiscal year had resulted in the Government being in the black. Have you any hope that this year—when the year is over—we will be in the black?

THE PRESIDENT. Not only hope, but we are going to do it.

Q. I think the estimate was that even on—even with this showing, it would be two billion in the red at the end of the year?

THE PRESIDENT. That is correct, but we are cutting down expenditures to the tune of \$2,100 million.

[3.] Q. Mr. President, do you see any danger in the fact that real wages are going down?

THE PRESIDENT. Yes, I do. That is what we are fighting to avoid as much as possible. There is danger in it.

[4.] Q. Mr. President, was Mr. Baruch's letter to Mr. Wallace cleared with you before it was released?

THE PRESIDENT. No, it was not. That's a matter between Mr. Baruch and Mr. Wallace.

[5.] Q. Mr. President, are you able to

report any progress in your urging the British Government to admit 100,000 Jews into Palestine?

THE PRESIDENT. I have no comment on that at this time.

[6.] Q. Mr. President, Mr. Steelman's report is full of warnings on the danger of runaway prices. Are you contemplating anything additional in that direction to check the tendency?

THE PRESIDENT. We are doing everything we possibly can, with the tools with which we have to work.

Q. Mr. President, in view of the warnings of Mr. Steelman's report, is there any chance of reconsidering your previous decision that there is no necessity for further legislation at this time to meet the price situation?

THE PRESIDENT. There is no necessity for legislation at this time. Legislation wouldn't help the situation one bit; that is, the legislation we would probably get. [Laughter]

[7.] Q. Mr. President, have you decided who will be the next Commissioner of Education for Puerto Rico?

THE PRESIDENT. No, I have not. I will announce it just as soon as I make the decision.

[8.] Q. Mr. President, have you given any new consideration to another Big Three meeting?

THE PRESIDENT. No, I have not.

[9.] Q. Mr. President, what is the purpose of Mr. Bedell Smith's trip to Moscow?

THE PRESIDENT. I have no comment on that.

[10.] Q. Mr. President, can you tell us anything more about your campaign plans?

THE PRESIDENT. No, I cannot. I am not ready to make any announcements.

[11.] Q. Do you have any comment, sir, on Secretary Byrnes' speech in Paris today?

THE PRESIDENT. Secretary Byrnes and I discussed the speech over the telephone, and

I am in accord with what he has to say.

Q. Mr. President, do you intend to take up that same question, perhaps soon, in a broadcast—foreign policy?

THE PRESIDENT. I hadn't contemplated it, and I think it has been pretty well stated.

[12.] Q. Coming over to the White House 2 days ago, Representative Spence indicated that there might be some definite or affirmative action in connection with the meat situation, other than action which has already been taken. Could you throw any light—

THE PRESIDENT. Well, every department of the Government which has an interest in that subject is in constant touch with the situation; and we of course are keeping our hands—our fingers on the situation, and if it is necessary to take any action, we will.

[13.] Q. Mr. President, have you any comment on the Nuremberg verdict, particularly the acquittals?

THE PRESIDENT. I have none. I think that's a fair trial, as far as I can see it, and I think it's a good thing for the world—one of the greatest things that has come out of this war.

[14.] Q. Mr. President, can you tell us whether you discussed with Admiral Towers, when he was back here recently, the plan for bases in the Pacific, which he announced today?

THE PRESIDENT. I have no comment to make on any conversation I had with Admiral Towers.

[15.] Q. Mr. President, do you see any discrepancy between your recent statement at the press conference about meat being in abundance—being more available shortly, and Mr. Steelman's report saying that the meat shortage would be worse in the winter?

THE PRESIDENT. No. There's no discrepancy in it at all.

Q. As I recall it, you said there would be

a change in the spring, in some cities possibly?

THE PRESIDENT. I said there would possibly be a shortage of meat continually, there will not be an abundance of meat for some time to come, but there would be no meat famine. If you read that statement you will find that that is the statement. It hasn't been—it isn't contemplated by Mr. Steelman's report.

Q. Mr. President, Mr. Steelman says the meat shortage will grow worse this winter. Do you agree with that?

THE PRESIDENT. I am making a survey to see whether I agree with the OWMR. I think Mr. Steelman is probably correct.

[16.] Q. Have you made any progress toward appointing an Ambassador to Great Britain?

THE PRESIDENT. No, I have not.

[17.] Q. Have you anything, sir, on your Atomic Energy Commission?

THE PRESIDENT. No. No announcements until I am ready.

Q. Could you say if Mr. Lilienthal is among those under consideration?

THE PRESIDENT. Yes, he is.

Q. Could you say if Senator La Follette is also one of those under consideration?

THE PRESIDENT. No, I could not.

Q. You couldn't say, or he is not?

THE PRESIDENT. I could not say anything about it. [*Laughter*]

[18.] Q. Could you tell us anything about Senator McKellar's attempt to get flood control funds released?

THE PRESIDENT. You might ask Senator McKellar about that.

Q. Are you making a new survey to determine whether additional funds should go into some of these projects?

THE PRESIDENT. We are making—the Budget and Mr. Steelman are making a survey to see whether any injustices have been done in the cutting off of contracts. If any injustices have been perpetrated, why they will be adjusted; which doesn't necessarily mean that there will be an increase in the funds available.

[19.] Q. Mr. President, an Army publication known as the Armored Cavalry Journal says that despite your statement several weeks ago that the third atom bomb test would not be held in the near future, that it actually was going to be held—is going to be held on schedule?

THE PRESIDENT. My statement stands.

Reporter: Thank you, Mr. President.

NOTE: President Truman's eighty-fifth news conference was held in his office at the White House at 10:30 a.m. on Thursday, October 3, 1946.

227 Statement by the President Following the Adjournment of the Palestine Conference in London. *October 4, 1946*

I HAVE LEARNED with deep regret that the meetings of the Palestine Conference in London have been adjourned and are not to be resumed until December 16, 1946. In the light of this situation it is appropriate to examine the record of the Administration's efforts in this field, efforts which have been supported in and out of Congress by

members of both political parties, and to state my views on the situation as it now exists.

It will be recalled that when Mr. Earl Harrison reported on September 29, 1945, concerning the condition of displaced persons in Europe, I immediately urged that steps be taken to relieve the situation of

these persons to the extent at least of admitting 100,000 Jews into Palestine.¹ In response to this suggestion the British Government invited the Government of the United States to cooperate in setting up a joint Anglo-American Committee of Inquiry, an invitation which this Government was happy to accept in the hope that its participation would help to alleviate the situation of the displaced Jews in Europe and would assist in finding a solution for the difficult and complex problem of Palestine itself. The urgency with which this Government regarded the matter is reflected in the fact that a 120-day limit was set for the completion of the Committee's task.

The unanimous report of the Anglo-American Committee of Inquiry was made on April 20, 1946, and I was gratified to note that among the recommendations contained in the Report was an endorsement of my previous suggestion that 100,000 Jews be admitted into Palestine. The Administration immediately concerned itself with devising ways and means for transporting the 100,000 and caring for them upon their arrival. With this in mind, experts were sent to London in June 1946 to work out provisionally the actual travel arrangements. The British Government cooperated with this group, but made it clear that in its view the report must be considered as a whole and that the issue of the 100,000 could not be considered separately.

On June 11 I announced the establishment of a Cabinet Committee on Palestine and Related Problems, composed of the Secretaries of State, War and Treasury, to assist me in considering the recommendations of the Anglo-American Committee of Inquiry. The Alternates of this Cabinet Committee, headed by Ambassador Henry F. Grady,

departed for London on July 10, 1946, to discuss with British Government representatives how the Report might best be implemented. The Alternates submitted on July 24, 1946, a report, commonly referred to as the Morrison plan, advocating a scheme of provincial autonomy which might lead ultimately to a bi-national state or to partition. However, opposition to this plan developed among members of the major political parties in the United States—both in the Congress and throughout the country. In accordance with the principle which I have consistently tried to follow, of having a maximum degree of unity within the country and between the parties on major elements of American foreign policy, I could not give my support to this plan.

I have, nevertheless, maintained my deep interest in the matter and have repeatedly made known and have urged that steps be taken at the earliest possible moment to admit 100,000 Jewish refugees to Palestine.

In the meantime, this Government was informed of the efforts of the British Government to bring to London representatives of the Arabs and Jews, with a view to finding a solution to this distressing problem. I expressed the hope that as a result of these conversations a fair solution of the Palestine problem could be found. While all the parties invited had not found themselves able to attend, I had hoped that there was still a possibility that representatives of the Jewish Agency might take part. If so, the prospect for an agreed and constructive settlement would have been enhanced.

The British Government presented to the Conference the so-called Morrison plan for provincial autonomy and stated that the Conference was open to other proposals. Meanwhile, the Jewish Agency proposed a solution of the Palestine problem by means of the creation of a viable Jewish state in

¹ See Item 187, 1945 volume, this series, p. 467.

control of its own immigration and economic policies in an adequate area of Palestine instead of in the whole of Palestine. It proposed furthermore the immediate issuance of certificates for 100,000 Jewish immigrants. This proposal received widespread attention in the United States, both in the press and in public forums. From the discussion which has ensued it is my belief that a solution along these lines would command the support of public opinion in the United States. I cannot believe that the gap between the proposals which have been put forward is too great to be bridged by men of reason and good will. To such a solution our Government could give its support.

In the light of the situation which has now developed, I wish to state my views as succinctly as possible:

1. In view of the fact that winter will come on before the Conference can be resumed, I believe and urge that substantial immigration into Palestine cannot await a solution to the Palestine problem and that it should begin at once. Preparations for this movement have already been made by

this Government and it is ready to lend its immediate assistance.

2. I state again, as I have on previous occasions, that the immigration laws of other countries, including the United States, should be liberalized with a view to the admission of displaced persons. I am prepared to make such a recommendation to the Congress and to continue as energetically as possible collaboration with other countries on the whole problem of displaced persons.

3. Furthermore, should a workable solution for Palestine be devised, I would be willing to recommend to the Congress a plan for economic assistance for the development of that country.

In the light of the terrible ordeal which the Jewish people of Europe endured during the recent war and the crisis now existing, I cannot believe that a program of immediate action along the lines suggested above could not be worked out with the cooperation of all people concerned. The Administration will continue to do everything it can to this end.

228 Letter to Representative Pittenger of Minnesota Concerning Coal Supplies in the Midwest. *October 8, 1946*

My dear Mr. Pittenger:

Being just as deeply interested as you are in seeing that supplies of coal in the Midwest and the upper Great Lakes area will be adequate to prevent hardship during the coming winter, I have given careful consideration to your letter of September 24, in which you request that one million tons of coal produced in Districts 7 and 8 be diverted to the upper Great Lakes docks away from other sections of the nation during the remainder of the navigation season. You suggest that this can be done because it was done in 1943,

and that the diverted tonnage could be restored to other areas after the close of lake navigation.

This administration is fully cognizant of the needs of the area served by the upper Great Lakes docks, as well as the needs of other sections of the country. In the application of distribution controls, every effort is made to assure that each area receives not only its equitable share of the more desirable grades and sizes of coal normally used in the area, but also enough other usable coal to fulfill its total requirements. Widespread

recognition of the need for such controls this year led to extension of the life of the Solid Fuels Administration for War. Dock operators and others in your area, who were aware of the shortage of coals produced in Districts 7 and 8 and who expressed their belief that only under SFAW Regulations could they obtain their fair share of the available supply, repeatedly requested continuance of the agency.

In the early years of the war, the coal stocks above ground were the largest in the nation's history, reaching a peak of 91,000,000 tons in the latter part of 1942. Although inroads were made in those reserve tonnages, there were still substantial stocks throughout the country in 1943 when the tonnages to which you refer were directed by SFAW to the Lakes. By April 1946, when the recent strikes commenced, these stocks were at a much lower level, and they were further reduced during the strike. This difference in the coal stockpile situation in 1943 and 1946 alone indicates that the feasibility of diverting a million tons of premium coal at this time must be viewed against a background quite different from that which prevailed in 1943.

It is quite clear that this year's supply of District 7 and 8 coals, for which there is a popular demand in your area and elsewhere, is relatively short. During the strikes in April and May, those districts together lost approximately 27,000,000 tons of production, or about 16 per cent of their combined total annual production. In the period from April 1, 1946 to September 21, 1946, each of those districts has produced only about 85 per cent of the amount it produced in the comparable period last year. To effect an equitable distribution of this short supply, SFAW, after making allowance for a possible increase in the rate of production, found it necessary to limit shipments of prepared

sizes of these coals for domestic use to 90 per cent, and of industrial sizes to 100 per cent of the tonnage of such sizes shipped during the last coal year.

In order that the Lake dock territory will receive its fair share of the available supply and that the great bulk of the coal will be delivered during the navigation season, the following provisions have been made:

1. Shippers in all producing districts are required to assure delivery of their lake commitments before making shipments to others, and to afford a preference in shipment to the upper Lake docks over the lower Lake ports.

2. Retail dealers in other areas obtaining their coal via rail from Districts 7 and 8 may not receive more than 57 per cent of their 90 per cent quota prior to the close of lake navigation.

3. Public utilities and other industries receiving coal via rail from Districts 7 and 8 are restricted to stockpiles of 20 and 15 days' supply, respectively. For coals produced in other districts, less drastic stockpiling provisions are in effect.

In addition, the Office of Defense Transportation has conferred with Lake forwarders, vessel operators and others with a view toward the issuance by it, if found practicable, of a direction to vessel operators similar to the SFAW direction to shippers, whereby vessel operators on the Great Lakes would serve the upper Lake docks in preference to the lower Lake ports. Also, the SFAW is seeking to effect arrangements whereby insurance coverage will be available beyond the normal close of the season and thus permit deliveries as long as it is physically possible to make them.

The total U.S. requirements of District 7 and 8 coals are approximately 170,000,000 tons. Of this, the Great Lakes (over all) require about 32,250,000 tons, leaving about

137,750,000 tons to be distributed via rail and other methods of transportation. It must be remembered that the Great Lakes territory has access to coals in surplus supply produced outside of Districts 7 and 8, as well as mine-run and some other sizes of Districts 7 and 8 coals. Other areas having such access are finding it necessary to piece out with such alternate coals. Some other sections of the country are not so fortunate, however, and they must get along with just their equitable share of Districts 7 and 8 coals. Prudence would seem to dictate that in view of the short supply of the so-called higher grade coals of Districts 7 and 8, territories having access to other coals should supplement their supplies of those premium coals with others which are suitable although not so desirable. SFAW has for months been urging that this be done.

I am advised that some dock operators in the upper Lakes region have taken as much mine-run coal for screening on the docks as their facilities will permit, and by screening, they obtain prepared sizes and screenings comparable to those secured at the mine. In view of the shortage, however, that probably will not be enough. I believe that they, as well as other dock operators who have not taken any substantial amounts of surplus coals, should supplement their stocks with mine-run—not for screening on the docks, but for resale as mine-run.

Under the circumstances which I have

outlined, I do not believe that direction of additional tonnages of prepared sizes of coal produced in Districts 7 and 8 to the upper Great Lakes territory would be justified unless a step-up in rate of production should make it possible to increase the quotas for all sections which receive those coals. The SFAW is constantly surveying the production picture and whenever it is found that additional tonnage will be available, the established quotas will be increased promptly.

While the situation, as I see it, does not warrant my complying with your request, I assure you that every effort will be made, as it has been and is being made by SFAW, to provide adequate supplies to any dock operator who demonstrates that he will not have enough tonnage to supply his domestic consumer customers with a tonnage equal to 90 per cent of the prepared sizes he supplied to them last year, and to furnish his industrial consumers with 100 per cent of the prepared sizes he furnished last year.

I appreciate your concern in this matter, and I ask that you lend your aid in advising the people in your area of the wisdom of supplementing their supply of premium coals with enough of the surplus coals to keep themselves warm this year.

Very sincerely yours,

HARRY S. TRUMAN

[Honorable William A. Pittenger, House of Representatives, Washington, D.C.]

229 The President's News Conference of *October 10, 1946*

THE PRESIDENT. [1.] The first announcement I have to make is the appointment of Richmond B. Keech as Associate Justice of the United States District Court for the District of Columbia. He will succeed

Justice Jesse C. Adkins, who is retiring October 15th. Mr. Keech is now Administrative Assistant to the President, and was Corporation Counsel for the District of Columbia.

[2.] I am appointing General George C.

Marshall, Senator Burnet Maybank of South Carolina, General Alexander A. Vandegrift, and Congressman Joseph Clark Baldwin of New York, to the Battle Monuments Commission.

Q. What was that last one, Mr. President? What was that last name, Mr. President—Baldwin?

Q. Is that a paying job, Mr. President?

THE PRESIDENT. How's that?

Q. Is that a paying job?

THE PRESIDENT. No. Expenses are paid when they are on their regular duties for that purpose. Congress authorized an additional four members to it.

[3.] In connection with the inauguration on November 3d of the President of the Republic of Chile, I have directed the Secretary of the Navy to send a small squadron of naval vessels to be present at a Chilean port at that time; and I have designated my Chief of Staff, Fleet Admiral Leahy, to be my Personal Representative at the inauguration ceremonies.

That's all the announcements I have to make.

[4.] Q. Nothing on meat, Mr. President?

THE PRESIDENT. Nothing on meat.

[5.] Q. Mr. President, what rank does Admiral Leahy have, in addition to being Chief of Staff?

THE PRESIDENT. He is a Fleet Admiral, a five-star admiral.

Q. Does he have the rank of Ambassador?

THE PRESIDENT. He is my Special Representative. He is not a special Ambassador.

[6.] Q. Mr. President, is there any action imminent in the meat situation?

THE PRESIDENT. There is not.

Q. Do you think that the dissatisfaction about the meat situation, Mr. President, is likely to be reflected in the elections—congressional elections this fall?

THE PRESIDENT. I have no comment to make on that.

[7.] Q. Any campaign plans, Mr. President?

THE PRESIDENT. None.

[8.] Q. Mr. President, can you tell us anything about the Wage Stabilization Board in connection—

THE PRESIDENT. Mr. Wirtz will make a statement on that later in the day. He is the Chairman of the Board.

Q. Have you accepted the resignation of the industry members—

THE PRESIDENT. No, I haven't.

Q. Did you reject them?

THE PRESIDENT. I haven't yet. I have rejected them once. I may do it again.¹

[9.] Q. Mr. President, will there be another meeting today of your advisers on the meat situation?

THE PRESIDENT. Yes, there will be. Yes, there will be.

Q. Same group, Mr. President?

THE PRESIDENT. Same group.

Q. Meet today?

THE PRESIDENT. Meet today.

Q. Are they still considering the implications of Argentine beef?

THE PRESIDENT. I have no comment to make on what they are considering. They will make a report to me when they are ready.

Q. When do you expect to get that report, Mr. President?

THE PRESIDENT. I will announce it when I get it.

Q. Mr. President, will they meet in the White House, sir?

THE PRESIDENT. They will meet in the White House.

¹In a statement released later in the day, as reported in the New York Times of October 11, Mr. Wirtz noted with regret the resignations of the two industry members of the Wage Stabilization Board.

Q. Will you meet with them?

THE PRESIDENT. I might. I haven't made up my mind yet. If it is necessary, I will.

[10.] Q. Mr. President, may I ask you once again whether you are planning to go to New York to make a political address?

THE PRESIDENT. I do not.

Q. You do not plan to go?

THE PRESIDENT. I do not.

Q. That is final, is it, sir?

THE PRESIDENT. I didn't say that. I said I didn't plan to go now.

[11.] Q. Mr. President, does Great Britain have any of our atomic bombs, or any atomic bombs—

THE PRESIDENT. They have not.

Q. They have not? There are none stockpiled over there, or whatever it is?

THE PRESIDENT. There are none. Categorically none.

[12.] Q. Mr. President, may I ask a question from the rear of the room?

THE PRESIDENT. Sure.

Q. Do you still favor personally retention of price controls on meat?

THE PRESIDENT. I have no comment to make on that.

[13.] Q. Mr. President, do you have any comment on Senator Taft's remarks concerning the Nuremberg trials?

THE PRESIDENT. Well now, I think that's a matter that he and Dewey can settle, don't you? [*Laughter*]

[14.] Q. Mr. President, does the Allen mission to Germany—does the Allen mission to Germany represent any change in our—in the basic policy of Germany, as made out in 1945—

THE PRESIDENT. Mr. Allen went on business for the Reconstruction Finance Corporation, with which I am not familiar. It has nothing to do with any policy that affects Germany except where the Reconstruction

Finance Corporation is interested.

[15.] Q. Mr. President, was the decision of the War Department to send B-29's on the round-the-world mission cleared with the White House before—

THE PRESIDENT. There has been no decision made as yet.

Q. There has been no decision made?

THE PRESIDENT. No.

[16.] Q. In saying, sir, that you have no comment on price ceilings on meat, do you refuse to affirm your position the last time we talked?

THE PRESIDENT. No, I do not. I have made my position perfectly clear on that, but I have no comment to make at the present time on this question.

[17.] Q. Mr. President, the society department of my paper wants to know whether you are planning to attend the wedding of Mr. Wallace's—

THE PRESIDENT. Mrs. Truman is going to attend.

Q. But you are not?

THE PRESIDENT. I won't. I have never attended those affairs.

[18.] Q. Mr. President, your statement that no action is imminent on meat, would that indicate that you are expecting any announcement as a result of the current meeting of your advisers on that subject?

THE PRESIDENT. I have no comment to make on that, for I haven't discussed the matter with them as yet.

[19.] Q. Mr. President, do you expect to attend the General Assembly of the United Nations when it meets in New York?

THE PRESIDENT. It is under consideration.

Q. When do you think you will make a decision?

THE PRESIDENT. I will make the announcement right here when it is ready.

[20.] Q. Mr. President, does the pro-

spective resumption of state dinners mean that tails are coming back in Washington? [*Laughter*]

THE PRESIDENT. Well, they are going to be quite a problem, they are getting rather scarce. Black ties or tails, whichever they have, because they are scarce. The President will wear tails. [*More laughter*]

[21.] Q. Mr. President, are you going to attend the meeting on juvenile delinquency—on the preventing of it—that is being held the week of October 21st?

THE PRESIDENT. Not that I know of. That's the first I have heard of it.

[22.] Q. Mr. President, did you see or clear Edgar Hoover's speech before the American Legion?

THE PRESIDENT. No, I did not.

[23.] Q. Mr. President, when do you expect to act upon the Wage Stabilization Board industry members' resignations?

THE PRESIDENT. Oh, I'll deliberate about it. I have had their resignations once before. There was no hurry about accepting them and they stayed on.

[24.] Q. Mr. President, from published reports, there seems to be a difference of opinion between you and Mr. Snyder as to—

THE PRESIDENT. That was a direct misquotation of Mr. Snyder. There is no difference between Mr. Snyder and me.

[25.] Q. Mr. President, have you answered Mr. Attlee's note on Palestine?

THE PRESIDENT. Yes, I have.

Q. Could that be made public?

THE PRESIDENT. No, it will not be made public.

[26.] Q. Mr. President, to come back to that apparent difference of opinion that you said was a misquotation. Could you give us a little bit of background as to whether in your last press conference you meant to cut the deficit as low as possible or if you meant

that the budget would be in balance, rather than balanced by the end of the year?

THE PRESIDENT. I have made the statement that the budget would be in balance by the end of the year.

Q. *In* balance?

THE PRESIDENT. Yes sir.

Q. But you did not mean that that would catch up with the 2 billion, one?

THE PRESIDENT. I didn't say that, either. I am doing my best to catch up with the 2 billion, one, and I think we are going to do it. I would like to make that perfectly plain.

Q. How is that 2 billion, one going to be cut off, Mr. President?

THE PRESIDENT. Well, I can't tell you that right now. I have issued orders on it, and it will be announced at a later date.

Q. Mr. President, who misquoted, you or Mr. Snyder?

THE PRESIDENT. Mr. Snyder.

Q. Mr. Snyder was misquoted?

THE PRESIDENT. Yes.

Q. You still insist the budget will be in balance?

THE PRESIDENT. I am going to do everything I possibly can to balance the budget. Morally certain it will be in balance.

[27.] Q. Did you sign the Executive order transferring the Alien Property Custodian's office to the Justice Department?

THE PRESIDENT. I don't know whether I have signed it yet or not. It has been in contemplation. It will be signed within a few days. I can't remember exactly whether it has been signed or not.

Mr. Clifford: No, it has not.

THE PRESIDENT. They tell me that it hasn't been signed. It has been up for consideration.

[28.] Q. Mr. President, are you very near picking your man for the London Ambassador's job?

THE PRESIDENT. No.

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Q. Not very near?

[29.] Q. Anything on the Atomic Energy Commission?

THE PRESIDENT. No. I will make that announcement when I have made the decision.
[*Laughter*]

Reporter: Thank you, Mr. President.

THE PRESIDENT. You're welcome.

NOTE: President Truman's eighty-sixth news conference was held in his office at the White House at 4 p.m. on Thursday, October 10, 1946.

230 Letter Accepting Resignation of Judge John J. Parker as
Alternate Member of the International Military Tribunal.
October 12, 1946

Dear Judge Parker:

In conformity with the wish expressed in your letter of October ninth, I accept your resignation as Alternate Member of the International Military Tribunal and as of October fourteenth next relieve you of any further responsibility in connection with that position.

The Nürnberg trial will be long remembered. It was your privilege to participate in the blazing of a new trail in international justice. For this work you were peculiarly fitted by reason of learning, integrity and conscience and judicial temperament.

I feel that you have discharged your duties with distinction. You have served faithfully and well the cause of civilization and of world peace and can safely leave the results of your labors at Nürnberg to the verdict of history.

Very sincerely yours,

HARRY S. TRUMAN

[Honorable John J. Parker, United States Circuit Judge, Charlotte, North Carolina]

NOTE: Judge Parker served from September 24, 1945, to October 14, 1946. His letter of resignation was released with the President's reply.

231 Letter to James E. Markham Upon the Conclusion of His
Duties as Alien Property Custodian. *October 14, 1946*

My dear Mr. Markham:

It is my privilege to send you a hearty: well done, as you terminate your duties as Alien Property Custodian.

I had full confidence that in anticipation of the proposed consolidation your house would be completely in order. Accordingly today I have signed an Executive Order terminating the Office of Alien Property Custodian and transferring all of its duties and functions to the Attorney General, to be

administered through the Department of Justice.

You were familiar with the policy of reducing the number of separate agencies in the interest of economy and efficiency. By reason of your knowledge of the working of the Alien Property Office from its establishment, you were able to give me valuable counsel in bringing about the change now happily completed. The terminal report which you submitted with your letter of this

date will be most helpful to those who are to carry on the work which you have relinquished.

You have earned the thanks of the Nation for the manner in which you have acquitted yourself in performing the difficult tasks which fell to you as Alien Property Custodian. Your integrity, your efficiency and your all around ability to get on with the work have contributed in the perform-

ance of a job which merits my highest praise and heartfelt appreciation.

Very sincerely yours,

HARRY S. TRUMAN

NOTE: Mr. Markham served as Deputy Alien Property Custodian from March 1942 to March 27, 1944, and then as Custodian through October 14, 1946. His letter of October 14 transmitting the "Terminal Report of the Alien Property Custodian, October 1946" (86 pp. mimeographed) was released with the President's reply.

232 Radio Report to the Nation Announcing the Lifting of Major Price Controls. *October 14, 1946*

[Broadcast from the White House at 10 p.m.]

My fellow countrymen:

I wish to report to you this evening on a subject which I am sure has concerned you as much as it has me—the meat shortage and our general stabilization program.

I recognize the hardship that many of you have undergone because of the lack of meat. I sympathize with the millions of housewives who have been hard pressed to provide nourishing meals for their families. I sympathize particularly with our thousands of veterans and other patients in hospitals throughout the country. I know that our children, as well as those persons engaged in manual labor, need meat in their diet.

Many workers have been thrown out of work by the meat shortage. The by-products that result from the lawful slaughter of livestock are sorely needed. We depend upon these by-products for insulin and other necessary medicines. We depend upon them also for hides; and already some of our shoe factories are closing and workers are being laid off for lack of leather.

Many of us have asked the same questions: Why should there be a meat shortage when

there are millions of cattle and hogs on the ranges and farms and in feed lots in this country? Who are the persons responsible for this serious condition? Why doesn't the Government do something about it?

I assure you that those questions have been the concern of your Government for many weeks. The real story is a simple one.

The responsibility rests squarely on a few men in the Congress who, in the service of selfish interests, have been determined for some time to wreck price controls no matter what the cost might be to our people.

The old price control act was due to expire on June 30, 1946. As long ago as nine months before it expired I urged the Congress to extend it right away in order to protect our people and prevent ruinous inflation. Four times more in the spring of 1946, I urged the Congress to act promptly. Each time the Congress failed, and it continued to delay taking action until the very day the Act expired. Then, at the eleventh hour, the Congress passed a bill which I could not sign—mainly because of the Taft and Wherry profiteering amendments. In the

interest of the people—to prevent a legalized run-away inflation—I had to veto that bill.

Price control therefore expired on June 30. For weeks we were left with no controls while the same few men in the Congress again debated how they could do lip-service to an anti-inflation program and still scuttle price controls—how they could pass a so-called price control law and, at the same time, take care of the special interests they wanted to enrich. Prices naturally soared during all this delay. The Congress finally passed a bill which became law on July 25. Even in this second bill, the same Congressional group stripped the OPA of the power necessary for effective price control. I signed this bill because it was perfectly clear that the Congress would do no better.

In this second bill—and this is very important—the Congress directed the removal of price controls on meat, and provided that they could not be restored before August 20.

On August 20, the Price Decontrol Board, after a hearing showing the necessity for price ceilings, restored controls on meat. But almost two months had gone by, during which time meat had remained free from all price regulation. This lag of two months was the direct result of the failure of the Congress to pass a proper price control bill in due time, as I had so often urged.

During this period, selfish men rushed unfattened cattle to the slaughter houses in order to get in under the wire and make high profits. That inevitably caused a shortage later. If price control had been enacted by the Congress in time—if this lag of two months had not occurred—this wasteful slaughter of unfattened cattle would not have taken place.

When I signed this second OPA bill which the Congress had passed, I stated that I did so with reluctance. I said further that it

fell far short of what I had hoped for, but that a wholehearted effort would be made to make the law work.

I have made that effort. I have tried honestly and sincerely to administer this feeble law. All the Government agencies have made the same vigorous effort. From the outset, however, the very forces responsible for the weakening of the law in the Congress have demanded the lifting of even the inadequate controls which the Congress had enacted. Besides, many members of the Congress and many candidates have pledged themselves to vote for the removal of price controls as soon as the new Congress meets.

As a result, many business men have held on to the products they would normally sell, gambling on the possibility of the release of price control and the opportunity for greater profits. This has been conspicuously true in the case of meat. The American people will not condone the conduct of those who, in order further to fatten their profits, are endangering the health of our people by holding back vital foods which are now ready for market and for which the American people are clamoring.

The real blame, however, lies at the door of the reckless group of selfish men who, in the hope of gaining political advantage, have encouraged sellers to gamble on the destruction of price control.

This group, today as in the past, is thinking in terms of millions of dollars instead of millions of people. This same group has opposed every effort of this administration to raise the standard of living and increase the opportunity for the common man. This same group hated Franklin D. Roosevelt and fought everything he stood for. This same group did its best to discredit his efforts to achieve a better life for our people.

There are reports of wide-spread disregard and violations of the price-control law. Ex-

perience shows that this leads to a tendency to disregard the sanctity of other laws of our country. I need not point out the danger of such a public attitude.

During these last weeks I have considered many proposed remedies in an effort to find the proper solution of this meat problem. Many suggestions have come to me from responsible officials in Government and also from many citizens in all parts of the country. I have considered them all. I have discussed them with my cabinet, with experts in the field, and with many others who are qualified to advise with respect to them.

It has been suggested, for example, that a price control holiday be declared for a limited period. This would be politically expedient because it would bring animals to market in large quantities for a short period. But, in the long run, it would be bad for our country because a famine in meat would surely follow the temporary feast. We saw that happen as a result of the two months' holiday this summer. I declined to accept that remedy.

Another remedy proposed was to order a further price increase on livestock. This would be ineffective because the livestock would still be held back in the expectation of the lifting of controls and even higher prices.

Another remedy suggested by many people was to have the Government seize the packing houses. This offered no real solution, however, because the seizing of empty packing plants would avail us nothing without the livestock.

Some have even suggested that the Government go out onto the farms and ranges and seize the cattle for slaughter. This would indeed be a drastic remedy. But we gave it long and serious consideration. We decided against the use of this extreme wartime emergency power of Government. It

would be wholly impracticable because the cattle are spread throughout all parts of the country.

It has also been suggested that we import dressed meat from other countries. This would do little good, however, because the amount of exportable dressed meat, not already contracted for, which could be brought to this country is very small in comparison with our demands. Anyway, we would not think of asking for this meager supply for ourselves, because the people of other countries must have it in order to exist. The figures show, for example, that during this year the people in England and France will consume, per person, only a fraction of the meat we consume.

So all these and other proposals and recommendations as alternatives to the removal of controls on meat were carefully weighed and considered. They all had to be rejected.

There is only one remedy left—that is to lift controls on meat. Accordingly, the Secretary of Agriculture and the Price Administrator are removing all price controls on livestock, and food and feed products therefrom—tomorrow.

In a further effort to increase the immediate flow of beef to market, I caused an investigation to be made of the possibility of lifting quickly the present quarantine against cattle from Mexico. The Secretary of Agriculture reports that his investigation of cattle health conditions was completed Saturday, and that it indicates that the Mexican border may be opened at once. When that happens, a substantial number of cattle from Mexico will come into this country. Most of them will be thin, but they can be sent into the feed lots to replace the domestic cattle which have been sufficiently fattened to be shipped to the slaughter houses.

For many months representatives of the livestock and meat industry have insistently

demanding the lifting of controls from their products. They have made the definite promise that the lifting of controls on livestock and meat would bring to market the meat which our people want, at reasonable prices. The American people will know where the responsibility rests if profiteering on meat raises prices so high that the average American cannot buy it.

The lifting of controls on meat, however, cannot be treated as an isolated transaction. Meat is so important a part of our cost of living that removing price controls on it may have an effect on our economic structure generally.

The Price Administrator and the Secretary of Agriculture have been lifting controls on thousands of items on their own initiative. Recently, they have been telling me their plans for relaxation of controls in the future. The action which will be taken tomorrow in freeing meat from controls means that their programs of lifting controls will have to be accelerated under existing legal standards. I have directed all the agencies of Government to cooperate in speeding up those plans to an extent compatible with our economic security.

This does not mean the end of controls now. Some items, like rent, will have to be controlled for a long time to come. Other items, consisting of certain basic materials and other commodities of which there is now a grave shortage, will have to remain under control until production of them has been greatly increased.

We all recognize the close relationship between wages and prices. If either one rises too high, the other is certain to be affected. Price control and wage control are largely dependent upon each other. As we speed up the removal of price controls, the removal of wage controls will also be accelerated. In this way we shall move steadily—and as

quickly as we safely can—toward a free economy and free collective bargaining.

The risk in the action we are taking in removing meat controls is less than it would otherwise be because production in general is now increasing at a significant rate. The constantly growing stream of goods from our factories, our mines, and our farms is rapidly closing the gap between demand and supply. There are now 58 million people at work—an all-time high. Industry has provided jobs for 10 million returned veterans. National income, business profits, farm income—all these are at an all-time high. Total production of private industry has also reached a new high level. The improvement in production has been steady and in numerous instances spectacular. As the shortages continue to disappear, the inflationary pressures will ease and the need for Government controls will pass. No one is more anxious to get rid of these controls than I am. But before we get rid of them we must be sure that the American people as a whole—not some special interest—will be benefited.

If industry should go on a strike in any commodity and refuse either to make the goods or to sell them freely—if by slowing down production, or by hoarding products for higher prices, scarcities should be continued—industry would be courting disaster. On the other hand, if labor should not maintain a high efficiency and productivity—if labor should slow down, or call unlawful or unnecessary strikes or carry on jurisdictional conflicts—labor too would be inviting disaster. Abundant production is the only sure and safe road to a free market.

I am certain that neither labor nor industry wants to hurt their country and their fellow citizens. It is plain that the present law does not guarantee prevention of inflation. As we proceed in an orderly but accelerated process of lifting controls, we

shall all have to exercise restraint and common sense if inflation is to be avoided and adequate production is to be achieved. I am confident that this can be done if the American people will use the same kind of team work that has always carried us through all our problems.

In the long run that which is best for the Nation is best for all the people. Going forward together in that spirit, we can win a sound and lasting peace-time economy, with high production and prosperity such as this Nation has never known before.

233 Letter to Justice Jackson Upon the Conclusion of His Duties
With the Nürnberg Tribunal. *October 17, 1946*

Dear Mr. Justice Jackson:

I have read and studied deeply the report which you submitted under date of October seventh last concerning the prosecution of major Nazi war criminals at Nürnberg. No litigation approaching this, the first international criminal assize in history, ever was attempted.

For my own part I have no hesitancy in declaring that the historic precedent set at Nürnberg abundantly justifies the expenditure of effort, prodigious though it was. This precedent becomes basic in the international law of the future. The principles established and the results achieved place International Law on the side of peace as against aggressive warfare.

I am convinced that the verdict for which you worked will receive the accolade of civilized people everywhere and will stand in history as a beacon to warn international brigands of the fate that awaits them.

Although your own part in the dispensing of international justice is at an end there remains, as you emphasize, the task of meting out justice to the German militarists, industrialists, politicians, diplomatists and police officials whose guilt does not differ

from the guilt of the criminals who have already been dealt with except that these remaining malefactors played their miserable roles at lower levels. I note what you say concerning the method through which these remaining criminals are to be brought to justice. The recommendations which you make in this regard, coming as they do out of your experience at Nürnberg, will be given careful consideration.

In accepting, effective as of this day, your resignation as representative of the President, and Chief of Counsel for the United States, I can but tender you my heartfelt thanks and the thanks of the Nation for the great service which you have rendered.

Very sincerely yours,

HARRY S. TRUMAN

[Honorable Robert H. Jackson, Supreme Court of the United States, Washington, D.C.]

NOTE: Justice Jackson served as the United States Representative and Chief of Counsel for the International Military Tribunal at Nürnberg, Germany, from May 2, 1945, to October 17, 1946. His report, in the form of an 8-page letter to the President dated October 7, was released by the White House on October 15. It is published in the Department of State Bulletin (vol. 15, p. 771).

234 Statement by the President Upon Signing Order Establishing the President's Scientific Research Board. *October 17, 1946*

I HAVE SIGNED Executive Order 9791 today. It establishes a Presidential Research Board with Reconversion Director John R. Steelman as Chairman. Its members are the Secretary of Agriculture, the Secretary of Commerce, the Secretary of the Interior, the Secretary of the Navy, the Secretary of War, the Federal Loan Administrator, the Federal Security Administrator, the Federal Works Administrator, the Chairman of the Federal Communications Commission, the Chairman of the Tennessee Valley Authority, the Chairman of the National Advisory Committee for Aeronautics, and the Director of the Office of Scientific Research and Development.

The order directs the Reconversion Director to prepare a report of (1) his findings with respect to the Federal research program and his recommendations for providing coordination and improved efficiency therein; and, (2), his findings with respect to non-Federal research, development and training activities, a statement of the interrelationship of Federal and non-Federal research and development, and his recommendations for planning, administering and staffing Federal research programs to insure that the scientific personnel, training and research facilities of the Nation are used most effectively in the national interest.

National security and the development of the domestic economy depend upon the extension of fundamental scientific knowledge and the application of basic principles to the development of new techniques and proc-

esses. The Nation has a vast reservoir of war-accelerated technological development which must be applied speedily and effectively to the problems of peace—stepping up productivity in both industry and agriculture, creation of new farm and factory products and advancement of medical science. Fundamental research, necessarily neglected during the war, must be resumed if scientific progress is to continue.

The Federal Government has played and will play an important role in all areas of research, but the share of our national income which can be devoted to research has definite limits. The order lays the groundwork for a general plan designed to insure that Federal scientific research will promote the most effective allocation of research resources between the universities, the research foundations, industry and the Federal Government.

There must be no duplication, overlapping or inefficiency to hamper Federal research. In view of the current level of Federal expenditures, our research activities must be conducted with minimum expenditures consistent with the essential objective of a Federal program.

I am concerned over the current shortage of scientific personnel and ask for a careful inquiry into this phase of the research program.

NOTE: The text of Executive Order 9791 "Providing for a Study of Scientific Research and Development Activities and Establishing the President's Scientific Research Board" (3 CFR, 1943-1948 Comp., p. 578) was released with the President's statement.

235 Statement by the President Concerning the National School Lunch Program. *October 22, 1946*

WHEN I SIGNED the National School Lunch Act last June fourth, I pointed out that Congress had provided the basis for strengthening the Nation through better nutrition for our school children and wider markets for the products of our farms. Today you who administer the cooperative program in all the States and territories are met to build upon that basis—to see that the full potentialities of the program are realized in the years ahead.

Nothing is more important in our national life than the welfare of our children, and proper nourishment comes first in attaining this welfare. The well nourished school child is a better student. He is healthier and more alert. He is developing good food habits which will benefit him for the rest of his life. In short, he is a better asset for his country in every way.

The school lunch program provides a co-

operative means of assuring adequate nutrition for millions of our children who otherwise might be denied this basic need. Even in this first year of operation under the new permanent legislation, nearly 8 million boys and girls are expected to receive the benefit of school lunches. This is a splendid start, but we must look forward to the day when the lunches are available in every community in every State and territory.

To you who carry out the program locally falls the crucial job of seeing to it that we build well for the future. I wish you every success in the great task you are undertaking.

NOTE: The President's statement was read at 10 a.m. on October 22 by Paul Stark, Director, Food Distribution Program Branch, Department of Agriculture, at the opening session of the National Conference of State School Lunch Officials held in the Department of Agriculture Building.

For the President's statement upon signing the National School Lunch Act, see Item 128.

236 Address in New York City at the Opening Session of the United Nations General Assembly. *October 23, 1946*

Mr. President, members of the Assembly of the United Nations:

On behalf of the Government and the people of the United States I extend a warm and hearty welcome to the delegates who have come here from all parts of the world to represent their countries at this meeting of the General Assembly of the United Nations.

I recall with great pleasure the last occasion on which I met and spoke with the representatives of the United Nations. Many of you who are here today were present then. It was the final day of the Conference at San

Francisco, when the United Nations Charter was signed. On that day the constitutional foundation of the United Nations was laid.

For the people of my country this meeting today has a special historic significance. After the first world war the United States refused to join the League of Nations and our seat was empty at the first meeting of the League Assembly. This time the United States is not only a member; it is the host to the United Nations.

I can assure you that the Government and the people of the United States are deeply proud and grateful that the United Nations

has chosen our country for its headquarters. We will extend the fullest measure of co-operation in making a home for the United Nations in this country. The American people welcome the delegates and the Secretariat of the United Nations as good neighbors and warm friends.

This meeting of the Assembly symbolizes the abandonment by the United States of a policy of isolation.

The overwhelming majority of the American people, regardless of party, support the United Nations.

They are resolved that the United States, to the full limit of its strength, shall contribute to the establishment and maintenance of a just and lasting peace among the nations of the world.

However, I must tell you that the American people are troubled by the failure of the Allied nations to make more progress in their common search for a lasting peace.

It is important to remember the intended place of the United Nations in moving toward this goal. The United Nations—as an organization—was *not* intended to settle the problems arising immediately out of the war. The United Nations *was* intended to provide the means for maintaining international peace in the future after just settlements have been made.

The settlement of these problems was deliberately consigned to negotiations among the Allies as distinguished from the United Nations. This was done in order to give the United Nations a better opportunity and a freer hand to carry out its long-range task of providing peaceful means for the adjustment of future differences, some of which might arise out of the settlements made as a result of this war.

The United Nations cannot, however, fulfill adequately its own responsibilities until the peace settlements have been made and

unless these settlements form a solid foundation upon which to build a permanent peace.

I submit that these settlements, and our search for everlasting peace, rest upon the four essential freedoms.

These are freedom of speech, freedom of religion, freedom from want, and freedom from fear. These are fundamental freedoms to which all the United Nations are pledged under the Charter.

To the attainment of these freedoms—everywhere in the world—through the friendly cooperation of all nations, the Government and people of the United States are dedicated.

The fourth freedom—freedom from fear—means, above all else, freedom from fear of war.

This freedom is attainable *now*.

Lately we have all heard talk about the possibility of another world war. Fears have been aroused all over the world.

These fears are unwarranted and unjustified.

However, rumors of war still find willing listeners in certain places. If these rumors are not checked they are sure to impede world recovery.

I have been reading reports from many parts of the world. These reports all agree on one major point—the people of every nation are sick of war. They know its agony and its futility. No responsible government can ignore this universal feeling.

The United States of America has no wish to make war, now or in the future, upon any people anywhere in the world. The heart of our foreign policy is a sincere desire for peace. This nation will work patiently for peace by every means consistent with self-respect and security. Another world war would shatter the hopes of mankind and completely destroy civilization as we know it.

I am sure that every delegate in this hall

will join me in rejecting talk of war. No nation wants war. Every nation needs peace.

To avoid war and rumors and danger of war the peoples of all countries must not only cherish peace as an ideal but they must develop means of settling conflicts between nations in accordance with the principles of law and justice.

The difficulty is that it is easier to get people to agree upon peace as an ideal than to agree upon principles of law and justice or to agree to subject their own acts to the collective judgment of mankind.

But difficult as the task may be, the path along which agreement may be sought is clearly defined. We expect to follow that path with success.

In the first place, every member of the United Nations is legally and morally bound by the Charter to keep the peace. More specifically, every member is bound to refrain in its international relations from the threat, or use, of force against the territorial integrity or political independence of any state.

In the second place, I remind you that 23 members of the United Nations have bound themselves by the Charter of the Nuremberg Tribunal to the principle that planning, initiating or waging a war of aggression is a crime against humanity for which individuals as well as states shall be tried before the bar of international justice.

The basic principles upon which we are agreed go far, but not far enough, in removing the fear of war from the world. There must be agreement upon a positive, constructive course of action as well.

The peoples of the world know that there can be no real peace unless it is peace with justice for all—justice for small nations and for large nations and justice for individuals without distinction as to race, creed or color—a peace that will advance, not retard,

the attainment of the four freedoms.

We shall attain freedom from fear when every act of every nation, in its dealings with every other nation, brings closer to realization the other freedoms—freedom of speech, freedom of religion, and freedom from want. Along this path we can find justice for all, without distinction between the strong and the weak among nations, and without discrimination among individuals.

After the peace has been made, I am convinced that the United Nations can and will prevent war between nations and remove the fear of war that distracts the peoples of the world and interferes with their progress toward a better life.

The war has left many parts of the world in turmoil. Differences have arisen among the Allies. It will not help us to pretend that this is not the case. But it is not necessary to exaggerate these differences.

For my part, I believe there is no difference of interest that need stand in the way of settling these problems and settling them in accordance with the principles of the United Nations Charter. Above all, we must not permit differences in economic and social systems to stand in the way of peace, either now or in the future. To permit the United Nations to be broken into irreconcilable parts by different political philosophies would bring disaster to the world.

So far as Germany and Japan are concerned, the United States is resolved that neither shall again become a cause for war. We shall continue to seek agreement upon peace terms which ensure that both Germany and Japan remain disarmed, that Nazi influence in Germany be destroyed and that the power of the war lords in Japan be eliminated forever.

The United States will continue to seek settlements arising from the war that are just to all states, large and small, that uphold

the human rights and fundamental freedoms to which the Charter pledges all its members, and that do not contain the seeds of new conflicts.

A peace between the nations based upon justice will make possible an early improvement in living conditions throughout the world and a quick recovery from the ravages of war. The world is crying for a just and durable peace with an intensity that must force its attainment at the earliest possible date.

If the members of the United Nations are to act together to remove the fear of war, the first requirement is for the Allied Nations to reach agreement on the peace settlements.

Propaganda that promotes distrust and misunderstanding among the Allies will not help us. Agreements designed to remove the fear of war can be reached only by the cooperation of nations to respect the legitimate interests of all states and act as good neighbors toward each other.

And lasting agreements between allies cannot be imposed by one nation nor can they be reached at the expense of the security, independence or integrity of any nation. There must be accommodation by all the Allied Nations in which mutual adjustments of lesser national interests are made in order to serve the greater interest of all in peace, security and justice.

This Assembly can do much toward re-creating the spirit of friendly cooperation and toward reaffirming these principles of the United Nations which must be applied to the peace settlements. It must also prepare and strengthen the United Nations for the tasks that lie ahead after the settlements have been made.

All member nations, large and small, are represented here as equals. Wisdom is not the monopoly of strength or size. Small nations can contribute equally with the

large nations toward bringing constructive thought and wise judgment to bear upon the formation of collective policy.

This Assembly is the world's supreme deliberative body.

The highest obligation of this Assembly is to speak for all mankind in such a way as to promote the unity of all members in behalf of a peace that will be lasting because it is founded upon justice.

In seeking unity we should not be concerned about expressing differences freely. The United States believes that this Assembly should demonstrate the importance of freedom of speech to the cause of peace. I do not share the view of those who are fearful of the effects of free and frank discussions in the United Nations.

The United States attaches great importance to the principle of free discussion in this Assembly and in this Security Council. Free and direct exchange of arguments and information promotes understanding and therefore contributes in the long run to the removal of the fear of war and some of the causes of war.

The United States believes that the rule of unanimous accord among the five permanent members of the Security Council imposes upon these members a special obligation. This obligation is to seek and reach agreements that will enable them and the Security Council to fulfill their responsibilities under the Charter toward their fellow members of the United Nations and toward the maintenance of peace.

It is essential to the future of the United Nations that the members should use the Council as a means of promoting settlement of disputes as well as for airing them. The exercise of neither veto rights nor majority rights can make peace secure. There is no substitute for agreements that are universally acceptable because they are just to all con-

cerned. The Security Council is intended to promote that kind of agreement and it is fully qualified for that purpose.

Because it is able to function continuously, the Security Council represents a most significant development in international relations—the continued application of the public and peaceful methods of a council chamber to the settlement of disputes between nations.

Two of the greatest obligations undertaken by the United Nations toward the removal of the fear of war remain to be fulfilled.

First, we must reach an agreement establishing international controls of atomic energy that will ensure its use for peaceful purposes only, in accordance with the Assembly's unanimous resolution last winter.

Second, we must reach agreements that will remove the deadly fear of other weapons of mass destruction, in accordance with that same resolution.

Each of these obligations is going to be difficult to fulfill. Their fulfillment will require the utmost in perseverance and good faith, and we cannot succeed without setting fundamental precedents in the law of nations. Each will be worth everything in perseverance and good faith that we can give to it. The future safety of the United Nations, and of every member nation, depends upon the outcome.

On behalf of the United States I can say we are not discouraged. We shall continue to seek agreement by every possible means.

At the same time we shall also press for preparation of agreements in order that the Security Council may have at its disposal peace forces adequate to prevent acts of aggression.

The United Nations will not be able to remove the fear of war from the world unless substantial progress can be made in the next few years toward the realization of another

of the four freedoms—freedom from want.

The Charter pledges the members of the United Nations to work together toward this end. The structure of the United Nations in this field is now nearing completion, with the Economic and Social Council, its commissions and related specialized agencies. It provides more complete and effective institutions through which to work than the world has ever had before.

A great opportunity lies before us.

In these constructive tasks which concern directly the lives and welfare of human beings throughout the world, humanity and self-interest alike demand of all of us the fullest cooperation.

The United States has already demonstrated in many ways its grave concern about economic reconstruction that will repair the damage done by war.

We have participated actively in every measure taken by the United Nations toward this end. We have in addition taken such separate national action as the granting of large loans and credits and renewal of our reciprocal trade-agreements program.

Through the establishment of the Food and Agriculture Organization, the International Bank for Reconstruction and Development and the International Monetary Fund, members of the United Nations have proved their capacity for constructive cooperation toward common economic objectives. In addition, the International Labor Organization is being brought into relationship with the United Nations.

Now we must complete that structure. The United States attaches the highest importance to the creation of the International Trade Organization now being discussed in London by a Preparatory Committee.

This country wants to see not only the rapid restoration of devastated areas but the industrial and agricultural progress of

the less well-developed areas of the world.

We believe that all nations should be able to develop a healthy economic life of their own. We believe that all peoples should be able to reap the benefits of their own labor and of their own natural resources.

There are immense possibilities in many parts of the world for industrial development and agricultural modernization.

These possibilities can be realized only by the cooperation of members of the United Nations, helping each other on a basis of equal rights.

In the field of social reconstruction and advancement the completion of the Charter for a World Health Organization is an important step forward.

The Assembly now has before it for adoption the constitution of another specialized agency in this field—the International Refugee Organization. It is essential that this Organization be created in time to take over from UNRRA as early as possible in the new year the tasks of caring for and repatriating or resettling the refugees and displaced persons of Europe. There will be similar tasks, of great magnitude, in the Far East.

The United States considers this a matter of great urgency in the cause of restoring peace and in the cause of humanity itself.

I intend to urge the Congress of the United States to authorize this country to do its full part, both in financial support of the International Refugee Organization and in joining with other nations to receive those refugees who do not wish to return to their former homes for reasons of political or religious belief.

The United States believes a concerted effort must be made to break down the barriers to a free flow of information among the nations of the world.

We regard freedom of expression and freedom to receive information—the right of

the people to know—as among the most important of those human rights and fundamental freedoms to which we are pledged under the United Nations Charter.

The United Nations Educational, Scientific and Cultural Organization, which is meeting in November, is a recognition of this fact. That Organization is built upon the premise that since wars begin in the minds of men, the defense of peace must be constructed in the minds of men, and that a free exchange of ideas and knowledge among peoples is necessary to this task. The United States therefore attaches great importance to all activities designed to break down barriers to mutual understanding and to wider tolerance.

The United States will support the United Nations with all the resources that we possess.

The use of force or the threat of force anywhere in the world to break the peace is of direct concern to the American people.

The course of history has made us one of the stronger nations of the world. It has therefore placed upon us special responsibilities to conserve our strength and to use it rightly in a world so interdependent as our world today.

The American people recognize these special responsibilities. We shall do our best to meet them, both in the making of the peace settlements and in the fulfillment of the long-range tasks of the United Nations.

The American people look upon the United Nations not as a temporary expedient but as a permanent partnership—a partnership among the peoples of the world for their common peace and common well-being.

It must be the determined purpose of all of us to see that the United Nations lives and grows in the minds and the hearts of all people.

May Almighty God, in His infinite wis-

dom and mercy, guide and sustain us as we seek to bring peace everlasting to the world.

With His help we shall succeed.

NOTE: The President spoke at 4:30 p.m. in the Assembly Hall, Flushing Meadow, New York City. His opening words referred to Paul-Henri Spaak of Belgium, President of the Assembly.

237 The President's News Conference of October 24, 1946

THE PRESIDENT. [1.] I want to announce the reappointment of Clarence Young to the Civil Aeronautics Board this morning.

[2.] And, I am having prepared a statement on the present situation with regard to the budget and the order which was made in August, which will be ready for distribution before the day is over.¹

That's the only announcements I have.

[3.] Q. Mr. President, would you care to comment on the rumors that Attorney General Tom Clark is resigning, and that Senator Wheeler may succeed him? Likewise that Mr. Justice Jackson is resigning?

THE PRESIDENT. Both so absurd I have no comment to make.

Q. Too absurd to comment on it?

THE PRESIDENT. Too absurd to comment on it.

[4.] Q. When do you expect to take action on the resignation of Solicitor General McGrath?

THE PRESIDENT. That action has already been taken, I think.

Q. You have accepted the resignation, sir?

THE PRESIDENT. Yes, I think it's accepted. He is going to be Senator from Rhode Island. He can't hold two jobs.² [Laughter]

Q. A little matter of election there, sir. [More laughter]

[5.] Q. Mr. President, has the matter of

John L. Lewis' latest statement on the coal contract come to you?

THE PRESIDENT. No, it has not.

Q. Have you anything to say?

THE PRESIDENT. No comment. That is in the hands of Mr. Krug.

[6.] Q. Mr. President, yesterday Mr. Churchill said, "It is not right for the United States, who are keen for immigration into Palestine, to take no share in the task and reproach us for our obvious incapacity to cope with the difficulties of the problem." Would you comment on that, sir?

THE PRESIDENT. I have no comment on that.

[7.] Q. Mr. President, do you expect to issue the wage decontrol order before November 1?

THE PRESIDENT. That was covered in the meat speech completely. If you will read that, you will get your answer.

Q. You say "Yes"—

THE PRESIDENT. I said read the meat speech and you will get your answer.

[8.] Q. Mr. President, the Army and Navy Bulletin says this morning that the State Department has something in line for Mr. Forrestal, that he is leaving the Navy. Is there anything you might say about that?

THE PRESIDENT. That is in the same category with Tom Clark and Jackson.

[9.] Q. Mr. President, time left in the campaign is running short. Are you going to make any speeches?

THE PRESIDENT. I have no plans to make any speeches.

¹ See Items 187, 194, 195, and 238.

² The President's letter accepting Mr. McGrath's resignation, effective at the close of business on October 7, was released by the White House on October 25.

[10.] Q. Mr. President, does your meat speech mean that there may be no formal order decontrolling wages? Just pass out by lifting price control—

THE PRESIDENT. I have answered that as definitely as I intend to answer it. You keep questioning me on it. I have no further comment to make on it. Read the meat speech. That will give you the answer.

[11.] Q. Mr. President, your distinguished predecessor prior to election frequently made bets with himself in a sealed envelope in his desk drawer. Have you made any such bets?

THE PRESIDENT. No I haven't.

[12.] Q. Mr. President, why are you not going to speak for the Democrats in the campaign?

THE PRESIDENT. I didn't say I was not. I said I had no plans at the present time to make any speeches.

[13.] Q. Mr. President, when is Thanksgiving this year? [*Loud laughter*]

THE PRESIDENT. I shall, at a later date, issue a proclamation and let you know. [*More laughter*]

[14.] Q. Mr. President, do you care to make any statement with regard to the resignation of the industry members of the Wage Stabilization Board?

THE PRESIDENT. No, I have no comment to make.

Q. Planning to this week, sir—to announce it?

THE PRESIDENT. No.

[15.] Q. Mr. President, have you had any report on the three men who were—three Army men arrested in Baltimore—on photographing atomic bombs on the—

THE PRESIDENT. No.

Q. Has that come to your attention?

THE PRESIDENT. It has not.

[16.] Q. Mr. President, I just want to ask one question on coal. Are you going to

discuss that with your Cabinet members tomorrow?

THE PRESIDENT. Mr. Krug is handling the coal situation.

Q. Well, he is a member of the Cabinet.

[17.] Q. Mr. President, the Immigration Department—Service has ordered the deportation of 48 Estonians that were down in Florida. The State Department says that that is contrary to the usual policy of not ordering deportation of political refugees. Would you give us your view on that, sir?

THE PRESIDENT. I haven't looked into that particular situation, Joe,¹ but I made a statement yesterday in my speech to the United Nations which said I hoped that our immigration policy would be arranged in such a way that political prisoners could—political refugees could be taken care of—and I am very sorry that those people cannot be taken care of. I hope that we can find some way to take care of them.

Q. Mr. President, would that not require legislation?

THE PRESIDENT. Yes, I think it would.

Q. Mr. President, did you talk to Attorney General Clark about the stay on their deportation, which he issued just 30 minutes or so ago?

THE PRESIDENT. No, it wasn't necessary when I found out he had issued it. I intended to talk to him, but it wasn't necessary.

[18.] Q. Mr. President, if Senator Wheeler isn't named to succeed Tom Clark, is there any other job that you have in mind for him?

THE PRESIDENT. Not that I know of.

[19.] Q. Mr. President, there is constant talk that Congress is going to be called back before the regular time for the new Congress?

¹ Joseph H. Short of the Baltimore Morning Sun.

THE PRESIDENT. Everybody seems to know more about that than I do. I have no intention of calling the Congress back. They have the right under their own resolution to call themselves back.

[20.] Q. When are you going to name the Atomic Commission, please sir?

THE PRESIDENT. Just as soon as I get the commissions filled I will name them.

[21.] Q. Mr. President, will cotton textiles be taken out of price controls very soon?

THE PRESIDENT. You will have to ask Mr. Porter about that. He is handling—he and Mr. Anderson are handling decontrols along the lines that were outlined in the meat speech.

[22.] Q. Mr. President, did you get any reports on the New York election while you were up in New York City?

THE PRESIDENT. I didn't discuss politics with anybody yesterday.

[23.] Q. Mr. President, what do you think of the District of Columbia plebiscite?

THE PRESIDENT. Well, I don't know whether it will accomplish anything or not. I have always been in favor of the vote for

the District, and I hope they get it.

Q. For home rule too?

THE PRESIDENT. For home rule too.

[24.] Q. Mr. President, you said you hadn't made any advance calculations or bets on the elections. Are you willing to lay a small wager? [*Laughter*]

THE PRESIDENT. It's contrary to the law in the State of Missouri to make a bet on the election. [*More laughter*] I expect to vote in the State of Missouri.

[25.] Q. Mr. President, there are two propositions with regard to the District of Columbia. One is vote for representation in Congress, and the other is home rule. Do you include—

THE PRESIDENT. I would like for the citizens of the District of Columbia to have the same rights that the citizens of the rest of the United States have.

Reporter: Thank you, Mr. President.

NOTE: President Truman's eighty-seventh news conference was held in his office at the White House at 10:35 a.m. on Thursday, October 24, 1946.

238 Statement by the President Concerning Limitations on Military and Public Works Expenditures. *October 24, 1946*

ON AUGUST 1, I placed an over-all expenditure limitation for fiscal year 1947 of \$8 billion for the military functions of the War Department, thereby requiring a saving of \$1 billion. At the same time a \$5.15 billion limitation for the Navy Department required a saving of \$650 million in this fiscal year. These limitations have not been changed and no further military cutbacks for the fiscal year 1947 are under consideration at this time. The responsible officials of the Bureau of the Budget, the War Department, and the Navy Department are

working together in effecting the required curtailments.

At the time expenditure limitations were imposed on non-military Federal public works for the fiscal year 1947, it was necessary to estimate the effect of the screening of construction projects by the Office of War Mobilization and Reconversion. These limitations were very rigid and reduced the over-all Federal public works program from \$1.6 billion to \$900 million, requiring a saving of \$700 million.

Further study of the whole public works

program by Reconversion Director John R. Steelman and Budget Director James E. Webb has indicated the necessity for increasing the expenditure limitation for the War Department Corps of Engineers from \$95 million to \$130 million, with an additional limited provision for new projects approved by Reconversion Director Steelman, and for the Department of the Interior reclamation program from \$85 million to \$110 million. These, together with an increase for TVA of \$13 million and for the Department of Agriculture of \$5 million, are the only increases

in expenditure limitations on Federal construction projects which have been authorized to date, and were it not for increases in programs over which I have no authority to place limitations, a saving of \$630 million would be made good. In those programs on which I could not impose a limitation, such as public roads grants and rural electrification loans, current expenditure estimates are up \$95 million. Despite these unavoidable revisions, our savings on non-military public works will be \$535 million below the January budget estimates.

239 Statement by the President Concerning the Estonian Refugees in Florida. *October 24, 1946*

I HAVE FELT considerable personal concern over the 48 Estonians who recently displayed such courage and determination in crossing the Atlantic to our shores in two small open boats. This is the type of pioneering spirit that built this Nation.

This morning the Attorney General stayed the order requiring these people to leave the United States. This order had been issued by local officials in conformity with existing

immigration regulations when it was discovered that these people had not obtained entrance visas because of over-subscription of the immigration quota for Estonians.

I have directed that all avenues be explored toward enabling this group to remain here, if they so desire, so that they may eventually become citizens of this country. The Department of State is now working on these details.

240 Letter to the Governor of Puerto Rico Disapproving a Bill Passed by the Territorial Legislature. *October 26, 1946*

[Released October 26, 1946. Dated October 25, 1946]

My dear Mr. Piñero:

I am returning to you, without my approval, Senate Bill No. 51, repassed over the veto of Acting Governor Manuel A. Perez by the Puerto Rican Legislature.

My reasons for disapproving the bill are similar to those expressed by the Acting Governor in his veto message, and by Governor Tugwell in his letter transmitting the bill to me. I have not considered the merits

of the pedagogical program which the bill would introduce into the insular public school system. I base my disapproval, instead, on the untimeliness of the measure and my feeling that the issue of Puerto Rican political status would be confused and its solution delayed by the adoption just now of a new language policy. Important as the language question may be, I regard the reaching of a permanent and satisfactory

Harry S. Truman, 1946

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solution to political status as of greater importance, and I cannot permit a measure to stand which in my opinion would jeopardize that solution.

Very sincerely yours,

HARRY S. TRUMAN

[Honorable Jesus T. Piñero, Governor of Puerto Rico, San Juan, Puerto Rico]

NOTE: In the second paragraph the President referred to Rexford G. Tugwell, former Governor of Puerto Rico.

241 Message to the King of Saudi Arabia Concerning Palestine.
October 28, 1946

Your Majesty:

I have just received the letter with regard to Palestine which Your Majesty was good enough to transmit to me through the Saudi Arabian Legation under date of October 15, 1946, and have given careful consideration to the views expressed therein.

I am particularly appreciative of the frank manner in which you expressed yourself in your letter. Your frankness is entirely in keeping with the friendly relations which have long existed between our two countries, and with the personal friendship between Your Majesty and my distinguished predecessor; a friendship which I hope to retain and strengthen. It is precisely the cordial relations between our countries and Your Majesty's own friendly attitude which encourages me to invite your attention to some of the considerations which have prompted this Government to follow the course it has been pursuing with respect to the matter of Palestine and of the displaced Jews in Europe.

I feel certain that Your Majesty will readily agree that the tragic situation of the surviving victims of Nazi persecution in Europe presents a problem of such magnitude and poignancy that it cannot be ignored by people of good will or humanitarian instincts. This problem is worldwide. It seems to me that all of us have a common responsibility for working out a solution

which would permit those unfortunates who must leave Europe to find new homes where they may dwell in peace and security.

Among the survivors in the displaced persons centers in Europe are numbers of Jews, whose plight is particularly tragic inasmuch as they represent the pitiful remnants of millions who were deliberately selected by the Nazi leaders for annihilation. Many of these persons look to Palestine as a haven where they hope among people of their own faith to find refuge, to begin to lead peaceful and useful lives, and to assist in the further development of the Jewish National Home.

The Government and people of the United States have given support to the concept of a Jewish National Home in Palestine ever since the termination of the first World War, which resulted in the freeing of a large area of the Near East, including Palestine, and the establishment of a number of independent states which are now members of the United Nations. The United States, which contributed its blood and resources to the winning of that war, could not divest itself of a certain responsibility for the manner in which the freed territories were disposed of, or for the fate of the peoples liberated at that time. It took the position, to which it still adheres, that these peoples should be prepared for self-government and also that a national home for the Jewish people should

be established in Palestine. I am happy to note that most of the liberated peoples are now citizens of independent countries. The Jewish National Home, however, has not as yet been fully developed.

It is only natural, therefore, that this Government should favor at this time the entry into Palestine of considerable numbers of displaced Jews in Europe, not only that they may find shelter there, but also that they may contribute their talents and energies to the upbuilding of the Jewish National Home.

It was entirely in keeping with the traditional policies of this Government that over a year ago I began to correspond with the Prime Minister of Great Britain in an effort to expedite the solving of the urgent problem of the Jewish survivors in the displaced persons camps by the transfer of a substantial number of them to Palestine. It was my belief, to which I still adhere, and which is widely shared by the people of this country, that nothing would contribute more effectively to the alleviation of the plight of these Jewish survivors than the authorization of the immediate entry of at least 100,000 of them to Palestine. No decision with respect to this proposal has been reached, but this Government is still hopeful that it may be possible to proceed along the lines which I outlined to the Prime Minister.

At the same time there should, of course, be a concerted effort to open the gates of other lands, including the United States, to those unfortunate persons, who are now entering upon their second winter of homelessness subsequent to the termination of hostilities. I, for my part, have made it known that I am prepared to ask the Congress of the United States, whose cooperation must be enlisted under our Constitution, for special legislation admitting to this country additional numbers of these persons, over and above the immi-

gration quotas fixed by our laws. This Government, moreover, has been actively exploring, in conjunction with other governments, the possibilities of settlement in different countries outside Europe for those displaced persons who are obliged to emigrate from that continent. In this connection it has been most heartening to us to note the statements of various Arab leaders as to the willingness of their countries to share in this humanitarian project by taking a certain number of these persons into their own lands.

I sincerely believe that it will prove possible to arrive at a satisfactory settlement of the refugee problem along the lines which I have mentioned above.

With regard to the possibility envisaged by Your Majesty that force and violence may be used by Jews in aggressive schemes against the neighboring Arab countries, I can assure you that this Government stands opposed to aggression of any kind or to the employment of terrorism for political purposes. I may add, moreover, that I am convinced that responsible Jewish leaders do not contemplate a policy of aggression against the Arab countries adjacent to Palestine.

I cannot agree with Your Majesty that my statement of Oct. 4 is in any way inconsistent with the position taken in the statement issued on my behalf on Aug. 16. In the latter statement the hope was expressed that as a result of the proposed conversations between the British Government and the Jewish and Arab representatives a fair solution of the problem of Palestine could be found and immediate steps could be taken to alleviate the situation of the displaced Jews in Europe. Unfortunately, these hopes have not been realized. The conversations between the British Government and the Arab representatives have, I understand, been adjourned until December without a solution

having been found for the problem of Palestine or without any steps having been taken to alleviate the situation of the displaced Jews in Europe.

In this situation it seemed incumbent upon me to state as frankly as possible the urgency of the matter and my views both as to the direction in which a solution based on reason and good will might be reached and the immediate steps which should be taken. This I did in my statement of October 4.

I am at a loss to understand why Your Majesty seems to feel that this statement was in contradiction to previous promises or statements made by this Government. It may be well to recall here that in the past this Government, in outlining its attitude on Palestine, has given assurances that it would not take any action which might prove hostile to the Arab people, and also that in its view there should be no decision with respect to the basic situation in Palestine without prior consultation with both Arabs and Jews.

I do not consider that my urging of the admittance of a considerable number of displaced Jews into Palestine or my statements with regard to the solution of the problem of Palestine in any sense represent an action hostile to the Arab people. My feelings with regard to the Arabs when I made these statements were, and are at the present time, of the most friendly character. I deplore any kind of conflict between Arabs and Jews, and am convinced that if both peoples approach the problems before them in a spirit of conciliation and moderation these problems can be solved to the lasting benefit of all concerned.

I furthermore do not feel that my statements in any way represent a failure on the part of this Government to live up to its assurance that in its view there should be no decision with respect to the basic situation in Palestine without consultation with both Arabs and Jews. During the current year there have been a number of consultations with both Arabs and Jews.

Mindful of the great interest which your country, as well as my own, has in the settlement of the various matters which I have set forth above, I take this opportunity to express my earnest hope that Your Majesty, who occupies a position of such eminence in the Arab world, will use the great influence which you possess to assist in the finding in the immediate future of a just and lasting solution. I am anxious to do all that I can to aid in the matter and I can assure Your Majesty that the Government and people of the United States are continuing to be solicitous of the interests and welfare of the Arabs upon whose historic friendship they place great value.

I also take this occasion to convey to Your Majesty my warm personal greetings and my best wishes for the continued health and welfare of Your Majesty and your people.

Very sincerely yours,

HARRY S. TRUMAN

NOTE: The letter from King Ibn Saud is published in the Department of State Bulletin (vol. 15, p. 848).

For the President's statement of October 4 following the adjournment of the Palestine conference in London, see Item 227. The White House statement on Palestine and on the problem of displaced persons in Europe, released on August 16, appears as Item 212.

242 The President's News Conference of October 28, 1946

THE PRESIDENT. [1.] I am announcing some appointments, and reading you a statement on them.

Appointing John Nicholas Brown of Rhode Island to be Assistant Secretary of the Navy for Air.

[2.] [*Reading*]: "I have today named Mr. David E. Lilienthal as Chairman of the Atomic Energy Commission, and as his associates on the Commission, Robert F. Bacher, Sumner T. Pike, Lewis L. Strauss, and William W. Waymack.

"Together these men—each of whom has distinguished himself in his public and professional career—will bring to the work of the Commission abilities and experience which will command the confidence of the country. We may be grateful that they have been willing to set aside all personal considerations, and to take, as members of the Commission, responsibilities as great as any men have ever assumed in peacetime.

"The Commission will take over properties and an organization which in magnitude are comparable to the largest business enterprises of the country."

There are nine pieces of literature to be handed out to you in mimeograph form as you go out. All of you will have these things in full when I get through.

[*Continuing reading*]: "There is no activity—Government or business—upon which the security and the enrichment of our Nation are more heavily dependent.

"During the war, the Army was charged with the responsibility for atomic energy, and under General Groves' guidance, the Manhattan District carried the project forward with brilliant success. Now, in accordance with the Atomic Energy Act of 1946, the entire program is to be transferred to the

new Commission. It will continue to move forward with the complete cooperation of the military and civilian personnel of the Manhattan Engineer District and all its many contractors, and with the full support of the War and Navy Departments.

"The Commission obviously must have a period of time in which to study the present program in detail, to analyze the broad scope of the problems facing it, and to lay plans for carrying out its very great responsibilities. The orderly transfer of functions and properties from the Manhattan District may well extend over a period of months.

"Discussion of the preliminary steps is already under way and the transfer will be accomplished as expeditiously as possible. During the period of transition, however, the Commission has asked the War Department to continue to carry on functions and operate facilities of the Manhattan project, so that there will be no interruptions in work while the actual transfers are being planned and carried out. To this arrangement, which meets with my approval, the Secretary of War and General Groves have agreed.

"Under the broad charter and the general policies which the Congress has formulated in the Atomic Energy Act of 1946, we look to this Commission to develop and carry on an ever-expanding program through which the benefits of atomic energy may be realized.

"We recognize that the full measure of these benefits cannot be achieved without the establishment of adequate international controls. We must therefore always be mindful that the most important step in realizing the promise of atomic energy for ourselves and for the world is the successful conclusion of the negotiations which are now in progress

in the Atomic Energy Commission of the United Nations. Chairman Lilienthal and his associates, through their effective administration of our atomic energy program, will be of material assistance in advancing us toward that goal.

"Although the way may not appear entirely clear, we must direct all our efforts to the end that neither this nation, nor any other nation, shall suffer the penalties of atomic warfare and that the great achievements of science and industry will be instrumental in bringing a better way of life to all mankind." [*Ends reading*]

We want the development of atomic energy to be entirely in the interest of peace and not in the interest of war.

[3.] I am today naming Gordon R. Clapp as Chairman of the TVA, to succeed David E. Lilienthal—

Q. TVA?

THE PRESIDENT. TVA, yes. TVA. Gordon R. C-l-a-p-p—to be Chairman of the TVA, to succeed David E. Lilienthal.

[*Reading*] "Mr. Clapp has been TVA's General Manager since October 1939, and prior to that time served as Director of Personnel. Mr. Clapp's term of service, subject to confirmation of the Senate, will be until May 1954.

"I make this appointment of Mr. Clapp with a sense of great satisfaction, which I am sure all the millions of friends and supporters of TVA will share with me. His appointment and service mean a continuation of the superior performance in the public service that has characterized TVA in the past. It means that TVA will have at its head a man of wide experience and understanding of TVA's problems and opportunities, and one therefore uniquely qualified to provide sound leadership."

There is another page to that statement, which I hope you will use in full, just as if

I had read it, because it is important.¹

And you will receive Mr. Lilienthal's letter of resignation as Chairman of the TVA, and my reply.

And you will receive brief biographical sketches of the five members of the Atomic Energy Commission, and of Mr. Clapp, as you go out.

That's all, gentlemen.

[4.] Q. Mr. President, will the Commission have the operating control over all parts of the atomic program?

THE PRESIDENT. That's what the law says, and the law will be strictly complied with.

Q. Do they require Senatorial confirmation, Mr. President?

THE PRESIDENT. Yes, they do.

Q. What about the political party affiliations of the Committee?

THE PRESIDENT. I do not know. I made no inquiries as to that. They are not political appointments.

Q. These are interim appointments? They will serve—

THE PRESIDENT. Yes, they will be interim appointments. They will go immediately to work and then they will be sent to the Senate when the Senate convenes.

[5.] Q. Mr. President, have you any news for us today on the threatened coal strike?

THE PRESIDENT. No, I have not. There will be no strike.

Q. There will be no strike?

THE PRESIDENT. No.

Q. That's quite a bit of news. [*Laughter*]

THE PRESIDENT. That will be confirmed at another press conference which is going on at the present time.

[6.] Q. Mr. President, could you make any comment on the visit of Prime Minister Mackenzie King?

¹ See Item 244.

THE PRESIDENT. It was a friendly call on the part of Mr. King. Discussed most everything which friends do discuss when they meet.

[7.] Q. Mr. President, will this new Commission cooperate with the United Nations Atomic Commission?

THE PRESIDENT. They will cooperate with the United Nations Atomic Energy Commission as the statement says they plan.

[8.] Q. Mr. President, can you tell us what conference is going on now about coal?

THE PRESIDENT. Mr. Lewis is having a press conference.

Q. Mr. Lewis is having a press conference?

THE PRESIDENT. Yes.

Reporter: Thank you, Mr. President.

NOTE: President Truman's eighty-eighth news conference was held in his office at the White House at 4:10 p.m. on Monday, October 28, 1946. The Official White House Reporter noted that the new members of the Atomic Energy Commission were present at the conference.

243 Letter to David Lilienthal on His Appointment as Chairman, Atomic Energy Commission. *October 28, 1946*

My dear Mr. Lilienthal:

I agree heartily with the observations regarding the awesome character of the work which faces the new Atomic Energy Commission, which you embody in your letter of October twenty-fifth. Since you acquiesce in my decision to appoint you as chairman of that Commission, I have less reluctance in accepting, effective at the close of business on November first next, your resignation as a Director and Chairman of the Tennessee Valley Authority.

The era in which we live is momentous and the problems with which you as Chairman, and your colleagues as members of the Atomic Energy Commission, will have to deal are of supreme importance. The character of the solution of these problems will determine the course of civilization. I view with particular satisfaction the fact that you are under no illusions regarding the responsibilities which I am calling upon you to assume.

You have labored long and faithfully to make the Tennessee Valley Authority a real instrument of democracy. For thirteen

years, first as Director and since 1941 as Chairman, you have guided the destinies of the Authority and defended its operation against the attacks—insidious as well as open—of all foes. No one will minimize the strength of the powerful interests that were arrayed against you. But the beneficial results achieved are reflected today not only in the Tennessee Valley but throughout our entire country.

TVA stands as a monument to the vision and courage of two great liberals: Franklin D. Roosevelt and George W. Norris. I have every confidence that Mr. Gordon R. Clapp, whom I am appointing to succeed you, will carry the work forward in the tradition of Roosevelt, Norris and Lilienthal.

In expressing my thanks and the thanks of the Nation for your faithful and farseeing labors with TVA, I bid you Godspeed in the larger duties which you are about to undertake.

Very sincerely yours,

HARRY S. TRUMAN

[Honorable David E. Lilienthal, Chairman, Tennessee Valley Authority, Norris, Tennessee]

NOTE: Mr. Lilienthal's letter was released with the President's reply. He served as a Director of the Tennessee Valley Authority from June 10, 1933, and

as Chairman from September 15, 1941, through November 1, 1946.

244 Statement by the President Upon Appointing Gordon R. Clapp as Chairman, Tennessee Valley Authority. *October 28, 1946*

I AM TODAY naming Gordon R. Clapp as Chairman of the TVA, to succeed David E. Lilienthal. Mr. Clapp has been TVA's General Manager since October 1939, and prior to that time served as Director of Personnel. Mr. Clapp's term of service, subject to confirmation of the Senate, will be until May 1954.

I make this appointment of Mr. Clapp with a sense of great satisfaction, which I am sure all the millions of friends and supporters of TVA will share with me. His appointment and service mean a continuation of the superior performance in the public service that has characterized TVA in the past. It means that TVA will have at its head a man of wide experience and understanding of TVA's problems and opportunities, and one therefore uniquely qualified to provide sound leadership in the future.

The TVA is a great American accomplishment of which the whole nation is proud. Established by Congress in 1933 under the determined leadership of President Roosevelt and Senator Norris, it was at first the object of bitter opposition and widespread misrepresentation. But the TVA's record of accomplishment through the years, the non-political and efficient character of its management and the high caliber of its staff have changed opposition to support, until today in the Tennessee Valley and throughout the country the TVA receives almost unani-

mous approbation and support.

TVA has proved itself. It has proved itself in peace and in war. It is known throughout the world as a demonstration of democracy's capacity to raise the standard of living, to utilize natural resources wisely, and to stimulate and encourage the initiative and enterprise of individuals.

I want TVA to continue to be the object of our nation's justified pride. I believe most Americans feel as I do. And the clearest evidence of my desire to see TVA's successful policies and practices continued and strengthened is my appointment of Mr. Clapp to succeed Mr. Lilienthal. For, to those who have followed TVA closely, as I have, it is well known that to a large degree TVA's success has been due to Mr. Clapp's skill as an administrator, to his qualities of character and devotion to the public service, and to a vision and understanding that have so largely aided in the formulation of TVA policy. He has shown himself not only effective in eliciting cooperation but also to be a formidable and resourceful fighter when TVA was under unfair attack. All these qualities, and the advantage of his youth and indefatigable energies, will stand him in good stead in his new capacity as head of TVA. Chairman Clapp and his two fellow directors, Dr. Morgan and Senator Pope, have a great opportunity to carry TVA forward to even greater accomplishments.

245 Statement by the President Commemorating the Founding of the Czechoslovak Republic. *October 29, 1946*

ON BEHALF of the American people, I wish to extend my sincere congratulations to President Beneš and the Czechoslovak people on the occasion of the twenty-eighth Anniversary of the Independence of the Czechoslovak Republic. The occasion brings to mind once more the close ties of friendship which have bound the Czechoslovak and

American peoples in their common struggles against the foes of democracy and freedom. The events of the past twenty-eight years have demonstrated the enduring strength of the principles upon which our two republics were founded, and will inspire in our peoples continued devotion to these principles.

246 Statement by the President on the Status of the 48 Estonian Refugees. *November 2, 1946*

ON OCTOBER 24 I announced that I had directed that all avenues be explored toward enabling the 48 Estonian refugees who recently entered the United States without immigration visas to remain here, if they so desired, so that they might eventually become citizens of this country.

I am pleased to announce that as a result of the joint efforts of the Secretary of State and the Attorney General, these refugees will definitely not be deported and will in due course be given immigration visas which will enable them to remain in this country.

247 Statement by the President Concerning the Japanese Mandated Islands. *November 6, 1946*

THE UNITED STATES is prepared to place under trusteeship, with the United States as the administering authority, the Japanese Mandated Islands and any Japanese Islands for which it assumes responsibilities as a result of the Second World War. Insofar as the Japanese Mandated Islands are concerned, this Government is transmitting for information to the other members of the Security Council (Australia, Brazil, China, Egypt, France, Mexico, the Netherlands,

Poland, the Union of Soviet Socialist Republics and the United Kingdom) and to New Zealand and the Philippines a draft of a strategic area trusteeship agreement which sets forth the terms upon which this Government is prepared to place those islands under trusteeship. At an early date we plan to submit this draft agreement formally to the Security Council for its approval.

NOTE: The text of the draft agreement is published in the Department of State Bulletin (vol. 15, p. 889).

248 Statement by the President on the Forthcoming International Conference on Tariffs and Trade. *November 9, 1946*

THE SECRETARY OF STATE has today formally announced the intention of this Government to enter into concerted trade-agreement negotiations with eighteen other principal and representative trading nations for the reciprocal reduction of trade barriers and substantial elimination of trade discriminations among the nations participating.

It is important that the people of the United States realize the true significance of these negotiations, for us and for the world. They are not solely trade bargains. They are that; but they are much more. They are central to the structure of international economic cooperation under the United Nations. They are necessary to achieve the objectives of the Atlantic Charter and of Article VII of our mutual-aid agreements. They are necessary to strengthen and support the foundations of the International Monetary Fund and the International Bank for Reconstruction and Development and to pave the way for the kind of economic world envisaged in the Suggested Charter for an International Trade Organization.

The substance of the Suggested Charter is now being discussed in London by a Com-

mittee of nations designated by the Economic and Social Council to prepare for an International Conference on Trade and Employment and for the establishment of an International Trade Organization. The subsequent trade-agreement negotiations announced today will carry forward these general principles and objectives by concrete and specific action to clear the channels of trade, replacing trade warfare by trade cooperation to the common benefit of all countries. Their success or failure will largely determine whether the world will move towards a system of liberal international trade, free from arbitrary barriers, excessive tariffs, and discriminations, or will pay the heavy costs of narrow economic nationalism.

I am confident that the people of the United States will give these negotiations their full support and encouragement.

NOTE: The formal announcement by the Secretary of State is published in the Federal Register (11 F.R. 13447).

The Suggested Charter for an International Trade Organization is published in the Department of State publication 2598 (Government Printing Office, 1946).

249 Statement by the President Upon Terminating Price and Wage Controls. *November 9, 1946*

THE GENERAL CONTROL over prices and wages is justifiable only so long as it is an effective instrument against inflation. I am convinced that the time has come when these controls can serve no useful purpose. I am, indeed, convinced that their further continuance would do the nation's economy

more harm than good. Accordingly, I have directed the immediate abandonment of all control over wages and salaries and all control over prices except that necessary to implement the rationing and allocation programs of sugar and rice. Rent control, however, must and will be continued.

On October 14, I reported to the people on the subject of the meat shortage and our general stabilization program. In addition to freeing meat from control I directed that the lifting of other controls be accelerated. As a result, controls have been removed from practically all foods and a long list of other commodities.

The Price Administrator has advised me that, with so much of the economy freed from price controls, clinging to the rest would, in his judgment, lead to distortions in production and diversion of goods to an extent far outweighing any benefit that could be achieved.

There is no virtue in control for control's sake. When it becomes apparent that controls are not furthering the purposes of the stabilization laws but would, on the contrary, tend to defeat these purposes, it becomes the duty of the Government to drop the controls.

The major problem with which we have had to contend is the withholding of goods from the market. As price controls are dropped, one by one, many sellers naturally hold on to their goods in the hope that their turn will come next and that they can obtain a higher price. In addition to those who are holding on to goods merely in expectation of decontrol, there are others whose motive is deliberately to force decontrol by depriving consumers of essential goods or manufacturers of essential materials. This withholding is becoming so serious as to threaten key segments of the economy with paralysis.

The real basis of our difficulty is the unworkable price control law which the Congress gave us to administer. The plain truth is that, under this inadequate law, price control has lost the popular support needed to make it work. At best, the administration of price control is an extraordinarily difficult and complex business and it can

work successfully only if the people generally give it their support.

We have now reached the point where many of our shortages have disappeared and in many other areas supply is rapidly approaching demand. In the fifteen months since V-J Day the stabilization program has preserved a large measure of general economic stability during a period in which explosive forces would otherwise have produced economic disaster. In fact, the situation is far more favorable for the return to a free economy today than it was when the present badly weakened stabilization law was finally enacted by the Congress.

Nevertheless, some shortages remain and some prices will advance sharply when controls are removed. We have, however, already seen what consumer resistance can do to excessive prices. The consumers of America know that if they refuse to pay exorbitant prices, prices will come down. Wholesalers and retailers alike are aware of the danger of accumulating inventories at prices so high that they cannot be confident of reselling at a profit. Manufacturers, thinking of their future markets, will hesitate to raise prices unreasonably. In short, the law of supply and demand operating in the market place will, from now on, serve the people better than would continued regulation of prices by the Government.

The reasons which impel the lifting of price controls are not applicable to rents. Housing is desperately short and will continue to be short for a long time to come. Tenants are in no position to resist extortionate demands. The fixing of rents by the ordinary processes of bargaining would bring hardship and suffering to our people. It may be that some adjustment of rents will be required, but control of rents and control over evictions must be continued.

I wish that it were possible to keep effective price controls on building materials in furtherance of the Veterans' Emergency Housing Program, under which we have seen an unprecedented acceleration both of homebuilding and of the production of building materials. But price control on building materials alone, with no price control on products competing for the same raw materials, would drive these materials away from housing and defeat the objectives of the program. The removal of price ceilings on building materials will obviously necessitate a change in the approach to some of the problems in the housing program. I am asking the Housing Expediter to report to me promptly in this regard. We must continue an aggressive program of building homes and apartments for veterans.

The removal of price controls leaves no basis or necessity for the continuation of wage controls, which have operated, in most industries, only as an adjunct to price controls. Accordingly, I have issued an Executive Order terminating all wage and salary controls under the Stabilization Act of 1942.¹ This does not affect, of course, the statutory provision governing changes in terms and conditions of employment in plants operated

by the Government pursuant to the War Labor Disputes Act.

I have asked the Bureau of the Budget, in consultation with the agencies involved, to prepare plans for the reduction of operations resulting from today's action, and to devise the most effective and economical methods for administering the functions which remain.

The lifting of price controls and wage controls results in the return to a free market with free collective bargaining. Industry has sought removal of price controls while labor has pressed for removal of control of wages. Both have insisted that removal of these controls would lead to increased production and fewer work stoppages.

High production removes the hazard of inflation and brings prices within the reach of the mass market. Wage rates not justified by labor productivity and prices not justified by manufacturers' costs may bring the illusion of prosperity. In the long run, however, good wages, full employment and sound business profits must depend upon management and workers cooperating to produce the maximum volume of goods at the lowest possible price.

Today's action places squarely upon management and labor the responsibility for working out agreements for the adjustment of their differences without interruption of production.

250 The President's News Conference of *November 11, 1946*

THE PRESIDENT. [1.] Gentlemen, I have a statement for you, which I will read to you. Then it will be handed to you in mimeographed form as soon as the conference is over.

"The American people have elected a Republican majority to the Senate and to the House of Representatives. Under our Constitution the Congress is the law-making body. The people have chosen to entrust the

¹Executive Order 9801 "Removing Wage and Salary Controls Adopted Pursuant to the Stabilization Act of 1948" (3 CFR, 1943-1948 Comp., p. 583).

controlling voice in this branch of our Government to the Republican party. I accept their verdict in the spirit which all good citizens accept the result of any fair election.

"At the same time, and under the same Constitution, the duties and responsibilities of the Chief Executive and the executive branch of the Government are entrusted to me and my associates.

"Our Government is founded upon the constitutional principle that the three branches of the Government are independent of each other. Under this principle our country has prospered and grown great. I should be less than candid, however, if I omitted to state that the present situation threatens serious difficulties.

"Only by the exercise of wisdom and restraint and the constant determination to place the interests of our country above all other interests, can we meet and solve the problems ahead of us.

"The stake is large. Our great internal strength and our eminent position in the world are not, as some may too easily assume, indestructible.

"I shall devote all my energy to the discharge of my duty with a full realization of the responsibility which results from the present state of affairs. I do not claim for myself and my associates greater devotion to the welfare of our Nation than I ascribe to others of another party. We take the same oath of office. We have at one time or another been equally willing to offer our lives in the defense of our country. I shall proceed, therefore, in the belief that the members of the Congress will discharge their duties with a full realization of their responsibility.

"Inevitably, issues will arise between the President and the Congress. When this occurs, we must examine our respective positions with stern and critical analysis to

exclude any attempt to tamper with the public interest in order to achieve personal or partisan advantage.

"The change in the majority in the Congress does not alter our domestic or foreign interests or problems. In foreign affairs we have a well-charted course to follow. Our foreign policy has been developed and executed on a bi-partisan basis. I have done my best to strengthen and extend this practice. Members of both parties in and out of the Congress have participated in the inner council in preparing, and in actually carrying out, the foreign policies of our Government. It has been a national and not a party program. It will continue to be a national program in so far as the Secretary of State and I are concerned. I firmly believe that our Republican colleagues who have worked intelligently and cooperatively with us in the past will continue to do so in the future.

"My concern is not about those in either party who know the seriousness of the problems which confront us in our foreign affairs. Those who share great problems are united and not divided by them. My concern is lest any in either party should seek in this field an opportunity to achieve personal notoriety or partisan advantage by exploitation of the sensational or by the mere creation of controversy.

"We are set upon a hard course. An effort by either the executive or the legislative branch of the Government to embarrass the other for partisan gain would bring frustration to our country. To follow the course with honor to ourselves and with benefit to our country, we must look beyond and above ourselves and our party interests for the true bearing.

"As President of the United States, I am guided by a simple formula: to do in all cases, from day to day, without regard to narrow political considerations, what seems

to me to be best for the welfare of all our people. Our search for that welfare must always be based upon a progressive concept of government.

"I shall cooperate in every proper manner with members of the Congress, and my hope and prayer is that this spirit of cooperation will be reciprocated.

"To them, one and all, I pledge faith with faith, and a promise to meet good will with good will."

Any questions?

[2.] Q. Will there continue to be regular conferences with the majority leadership, Mr. President?

THE PRESIDENT. That matter will be attended to when the Congress meets.

[3.] Q. Mr. President, shall we take this as your answer to Senator Fulbright?

THE PRESIDENT. No comment.¹

[4.] Q. Mr. President, is there any particular significance to the rare presence of Secretary Forrestal here today?

THE PRESIDENT. Ask him, there he sits! [Laughter]

Q. Is there, Mr. Secretary?

Secretary Forrestal: I lay an interdiction on Mr. Andrews for any kind of questions. [More laughter]

THE PRESIDENT. He just happened to be in the building and came in.

[5.] Q. Mr. President, Mr. Basil Manly has proposed a year's industrial armistice between management and labor, to promote production and—as he says—to save the country from chaos. Have you read that plan, and have you any comment?

¹ As reported in the New York Times for November 7 Senator Fulbright had suggested that the President should appoint a Republican Secretary of State and then resign. On November 8 the Times reported that the Senator proposed to offer a constitutional amendment to enable the Congress to call a national election at any time in order to eliminate a lameduck President.

THE PRESIDENT. No, I haven't read the plan, but since August 14, 1945, I have been urging that very thing right here at this desk. A little late to get on the bandwagon.

[6.] Q. Mr. President, there have been various rumors published and otherwise, that there would be further changes in the Cabinet this year. Have you anything to say about that? Do you know of any?

THE PRESIDENT. None that I know of. Everybody seems to know more about it than I do. So far as I know there are no changes.

[7.] Q. Along this line, there are—

Q. Mr. President, may I ask—

Q. —rumors current that General Eisenhower is about to resign because he can't seem to get together with the administration on how much money he should be permitted to spend. Have you any comment?

THE PRESIDENT. No comment. I don't think that rumor has a bit of foundation in fact.

[8.] Q. Mr. President, I was going to ask you about housing. Most people are not completely clear about the situation on housing, following your statement the other night, and Wyatt's statement. You said then he was going to make a report to you.

THE PRESIDENT. That is true. He will make a report to me tomorrow.

Q. Is there anything you can say now about the controls on housing which have to do with prices on houses, and rents?

THE PRESIDENT. No. I thought that was made perfectly clear in the statement.

Q. It was, but I find there is some confusion about it.

THE PRESIDENT. Well, there shouldn't be. My statement still stands.

[9.] Q. Mr. President, in connection with the change of control in the Senate, Mr. Leslie Biffle, his job goes to a Republican. Could we expect him in the vacancy of the

Administrative Assistants that you have, sir?

THE PRESIDENT. Well now, you had better talk to Mr. Biddle about that. I have no comment to make on that.

[10.] Q. Mr. President, is there a possibility of a special session of Congress?

THE PRESIDENT. Not at the present time. I know of no reason why I should call the Congress into session.

[11.] Q. Mr. President, is Paul Porter going back to the FCC?

THE PRESIDENT. I can't answer that question.

[12.] Q. Mr. President, is Chester Bowles being considered for Ambassador to the Court of St. James?

THE PRESIDENT. Not that I know of. [Laughter]

[13.] Q. Mr. President, a certain radio commentator last night said Mr. Ross would immediately resign.

THE PRESIDENT. Mr. Ross is not going to resign. There have been all sorts of rumors about one or the other resigning. They all seem to know more about it than I do.

Q. Is anybody going to resign, Mr. President?

THE PRESIDENT. Not that I know of.

Q. That's settled.

THE PRESIDENT. Not that I know of. [Laughter]

[14.] Q. Here's one that hasn't been asked for several weeks. Is there anything in the air on a Big Three or Big Four conference?

THE PRESIDENT. No. No, the Big Four conference is going on in New York right now.

Q. With the foreign ministers? I mean with the heads of states?

THE PRESIDENT. The Big Four conference is going on in New York now—

Q. But not—

THE PRESIDENT. —and it has my full backing.

[15.] Q. Mr. President, you spoke there in your statement of people still exploiting sensationalism and starting controversies. Are you—you mean by that that you feel that that may run into investigations just for the sake of investigating, on the Hill?

THE PRESIDENT. The statement speaks for itself.

Reporter: Thank you, Mr. President.

THE PRESIDENT. You're welcome.

NOTE: President Truman's eighty-ninth news conference was held in his office at the White House at 10 a.m. on Monday, November 11, 1946.

251 Letter to Francis Biddle in Response to His Report on the Nürnberg Tribunal. *November 12, 1946*

Dear Judge Biddle:

I am profoundly impressed by your report, which I have studied with careful attention.

When the Nürnberg Tribunal was set up, all thoughtful persons realized that we were taking a step that marked a departure from the past. That departure is emphasized in the verdict and the execution of the Nazi war criminals and in your recommendations for the guidance of nations in dealing with

like problems in the future. An undisputed gain coming out of Nürnberg is the formal recognition that there are crimes against humanity.

Your report is an historic document. It is encouraging to know that the dissent of the USSR was not on the fundamental principle of international law but over the inferences which should be drawn from conflicting evidence.

I am impressed by the change in point of view of the defendants and their lawyers from indifference and skepticism at the outset to a determination to fight for their lives. The fact that you and your colleagues could bring about this change in attitude is in itself a tribute to the judicial spirit and objectivity of the Tribunal.

I am satisfied that the defendants received a fair trial. I hope we have established for all time the proposition that aggressive war is criminal and will be so treated. I believe with you that the judgment of Nürnberg adds another factor tending toward peace.

That tendency will be fostered if the nations can establish a code of international criminal law to deal with all who wage aggressive war. The setting up of such a code as that which you recommend is indeed an enormous undertaking, but it deserves to be studied and weighed by the best legal minds the world over. It is a fitting task to be undertaken by the governments of the United Nations. I hope that the United Nations, in line with your proposal, will reaffirm the principles of the Nürnberg

Charter in the context of a general codification of offenses against the peace and security of mankind. All of these recommendations bring into special prominence the importance of the decisions which lie in the future.

Since your work is completed I accept as of today your resignation as United States Member of the International Military Tribunal. You have been part of a judicial proceeding which has blazed a new trail in international jurisprudence and may change the course of history.

To your work you brought experience, great learning, a judicial temperament and a prodigious capacity for work. You have earned my thanks and the thanks of the Nation for this great service.

Very sincerely yours,

HARRY S. TRUMAN

[Honorable Francis Biddle, United States Member, The International Military Tribunal, Washington, D.C.]

NOTE: Mr. Biddle's report, in the form of an 8-page letter dated November 9, was released with the President's reply. The report is published in the Department of State Bulletin (vol. 15, p. 954).

252 Statement by the President Endorsing a Plan for Negotiations Between Coal Miners and Operators. *November 15, 1946*

SECRETARY of the Interior Krug delivered to the President of the United Mine Workers, yesterday afternoon, a written proposal containing the details of a plan under which the operators and miners could negotiate their differences and the mines would remain in operation.

I am thoroughly familiar with this proposal and I consider it eminently fair to both mine workers and operators. A copy of the proposal is attached hereto.

In my statement of November 9 directing immediate abandonment of all control over

wages and salaries, and virtually all controls over prices, I stated, "Today's action places squarely upon management and labor the responsibility for working out agreements for the adjustment of their differences without interruption of production."

The abandonment of wage and price controls requires the immediate resumption of normal collective bargaining between management and labor, without Government substitution for either party. Bituminous coal mining is the only important segment of private industry in which the Govern-

ment, under its emergency responsibilities, now replaces a party to normal collective bargaining.

The Coal Mines Administration of the Department of the Interior is party to a contract with the United Mine Workers of America governing employment conditions in that industry. This contract was negotiated by the Government and the union last spring after a complete breakdown in collective bargaining between the coal operators and the union. Mines were idle more than 50 days and the stock of bituminous coal above ground was rapidly being depleted. Shutdowns in industries dependent on coal spread rapidly and thousands of workers in these industries were laid off.

The Nation has not yet recovered from the long and costly coal strike of last spring. In the intervening five months railroads, public utilities, steel mills and other industries have not been able to purchase and store sufficient coal to carry them for any substantial period. Nor have thousands of household consumers been able to purchase enough fuel to carry them through the winter months.

In the face of these circumstances, on November 1, the United Mine Workers of America requested the Coal Mines Administrator to reopen the May 29 contract. Secretary Krug informs me that he has discussed with representatives of the mine workers their subsequent demands for changes in the employment conditions of their contract. I wish to make it clear that the Government takes no position as to the merit or demerit of these demands, but under this present proposal, such questions are referred to the operators and the miners for settlement by the process of free collective bargaining.

I am advised by the Attorney General that the existing contract is clearly applicable for the full period of Government operation.

He further informs me that it **makes no** provision for reopening, without mutual consent, to discuss new wages, hours or other employment terms. It was intended to be replaced by a direct employer-union contract.

The Government cannot replace private management as the bargaining agent without interfering with true collective bargaining between management and labor. This principle has been frequently and vigorously endorsed by leading representatives of management and labor groups, including the representatives of mine owners and both the president and the convention of the United Mine Workers.

The proposal made by Secretary Krug has been accepted by the bituminous coal mine operators' negotiating committee.

This morning, however, the President of the United Mine Workers notified Secretary Krug that the proposal was not acceptable to the Mine Workers Negotiating Committee.

The Government proposal is fair and equitable. It considers the rights of the miners, the operators, and the public, and carefully protects the rights of each.

In view of this, it is my hope that a serious reconsideration of the entire situation will convince the United Mine Workers that the adoption of this proposal is for the best interests of all concerned.

Acceptance of the proposal by the mine workers will satisfy the desire of 140,000,000 Americans for industrial peace and continued production in the soft coal mines, and in all our great industries which are so dependent upon coal.

NOTE: Secretary Krug's proposal was contained in a letter to John L. Lewis, President of the United Mine Workers, dated November 14 and released with the President's statement.

The Secretary proposed convening a conference between representatives of the United Mine Workers and the Bituminous Coal Operators Negotiating

Committee on November 16 for the purpose of negotiating a new contract for the coal industry. In order that coal production be maintained during the negotiations, Mr. Krug proposed that Government operation of the mines under the Krug-Lewis agreement be continued for a maximum period of 2 months. He also proposed that during the first month the situation be held in *status quo*, without retroactive wage changes and with a prohibition

against increasing the price of coal sold from mines in Government possession. He further proposed, if no agreement were reached during the first month, that price limitations be removed, with changes in wages and hours thereafter agreed upon to be retroactive to December 16, and if no agreement were reached by January 16, 1947, that the mines be returned to private possession on that date.

253 Statement by the President Concerning Myron Taylor's Mission in Rome. *November 23, 1946*

I HAVE directed my personal representative, the Honorable Myron C. Taylor, to proceed to Rome for a brief period to resume discussion of matters of importance with His Holiness Pope Pius XII and others in authority. Mr. Taylor will also resume his efforts in respect to the reorganization of the Italian Red Cross and his chairmanship of American relief for Italy.

Mr. Taylor's work as the guiding force and leading spirit in organizing American relief for Italy already has been fruitful of practical results. Italy has been in sore need from the time of the invasion and during and since the war. Noteworthy among his activities has been his work among youngsters rendered homeless by the ravages of war, along lines comparable with those which have animated Boys Town and other agencies dealing at the present time with the

problem of juvenile delinquency in the United States. His hope is that the reorganized Italian Red Cross will become the active medium for all national relief distribution in Italy.

Mr. Taylor's forthcoming mission to Italy will be of short duration—not exceeding thirty days. In resuming his conversations with the Pope he will continue his mission in behalf of peace. His purpose, as on previous missions, will be to obtain for my guidance the counsel and cooperation of all men and women of good will whether in religion, in government, or in the pursuits of everyday life.

As in the past he and I will, in our labors for peace, continue to welcome the advice of leaders in religion of all convictions and loyalties, however diverse, not only in this country but throughout the world.

254 Citation Accompanying the Medal for Merit Awarded Paul V. McNutt. *November 27, 1946*

CITATION TO ACCOMPANY THE AWARD OF
THE MEDAL FOR MERIT
TO
PAUL VORIES MC NUTT

PAUL VORIES McNUTT, for exceptionally meritorious conduct in the performance of outstanding services to the United States.

Mr. McNutt, as Federal Security Administrator, Director of the Office of Community War Services, and Chairman of the War Manpower Commission throughout the entire war period when maintenance of the Nation's civilian strength was imperative, performed a unique and vital service in

coordinating and promoting essential home front services to safeguard the public health, to provide emergency health, education, recreation and other community services in hard-pressed war areas, and to meet the extraordinary demands of war industry by training workers for maximum efficiency, tapping new sources of manpower, and, through his leadership, obtaining the voluntary support of management and labor essential to maximum results in carrying out his programs for conserving the Nation's human resources and utilizing them in the best interests of the Nation's all-out war

effort. By his broad grasp of these intricate and inter-related problems, by his skill in administration and in securing the Nation-wide cooperation of diverse groups, by his unswerving devotion to the Nation's democratic principles even under the pressures of war, and by his far-sighted understanding of the necessity to maintain the essential fabric of American life, Mr. McNutt contributed to the successful outcome of the war, far beyond the demands of duty.

HARRY S. TRUMAN

NOTE: The presentation was made by the President in a ceremony at the White House at 11:15 a.m.

255 Letter to Members of the National Famine Emergency Committee. *November 29, 1946*

Dear——:

I am enclosing copy of a report just received from the Secretary of Agriculture regarding the status of this year's grain export program. You will be gratified, I know, to learn the details of our relatively favorable position this year, as contrasted with the very difficult situation in which we found ourselves late last winter.

It is true that we still face a very serious transportation problem. Under present conditions this is the limiting factor on our total grain export program this year. It is a problem which calls for close administrative attention, and for full coordination with and among all transportation facilities. It is not, however, a problem which requires the sort of national campaign which your committee so successfully directed during the famine emergency. Under the circumstances, it will not be necessary for me at this time to request the Famine Emergency Committee to do more than stand by.

Let me take this opportunity to thank you

personally for your service to this country and to those millions abroad whose very lives depended upon the success of our famine relief efforts. Yours was a real service for humanity. Without your efforts, and the willing cooperation of all our people who could help in any way in the famine program, the suffering abroad would have been much greater during those dread months last spring and summer when so many nations had exhausted their own food supplies. In expressing my thanks, I also express the appreciation of all those who were benefited by your efficient service.

I know that I can count upon your cooperation if developments at any time in the future make it necessary for me to call upon you again.

Very sincerely yours,

HARRY S. TRUMAN

NOTE: This is the text of identical letters addressed to President Herbert Hoover, Honorary Chairman of the Committee; Chester C. Davis, Chairman; Courtney C. Brown, Vice Chairman; James W.

Young, Dr. William I. Myers, Sheldon Clark, Clarence Francis, Dr. George Gallup, Henry R. Luce, Anna Lord Strauss, Mrs. La Fell Dickinson, Justin Miller, and Eric Johnston.

Secretary Anderson's report, in the form of a 4-page letter to the President dated November 26, was also released.

The Secretary reported that record grain production in 1946 made it unlikely that further sacrifices by American consumers and industrial users would be required. He also reported the removal of limitations on the domestic distribution of flour and the relaxation of certain controls on the use of grains by brewers and distillers.

256 Letter Accepting Resignation of Paul Porter as Price Administrator. *November 29, 1946*

Dear Paul:

I have your letter of November fifteenth and accept with reluctance, effective at the close of business on December 4, 1946, your resignation as Administrator of the Office of Price Administration. I told you when I assigned you to this post last February that you would face insurmountable difficulties and frustrations but that it was a task that had to be carried on so long as the Congress gave us authority and the people of the Nation needed support. You have completed your assignment with competence and outstanding devotion to the public welfare. For this your country owes you a debt of gratitude and as your President I commend you for a job well done.

We both had grave reservations as to the effectiveness of the extension bill which I signed on July twenty-fifth last; but I am confident that history will vindicate the wisdom of the decision to carry on for a while longer even with the inadequate powers which the Congress gave. The danger of ruinous postwar inflation is much lessened by the efforts which you and your associates have made in the critical months

since price control was extended. Indeed there is no cause for pessimism over the economic outlook for the future if management and labor will under freedom from direct government controls demonstrate the kind of patriotic concern for the common good which has characterized your administration of OPA.

I can understand the reasons which impel you to return to private activity. Since the war began you have given your government unselfish service at personal sacrifice and I cannot rightfully insist that you remain in the federal service longer.

However, I do want to call upon you for such specific assignments as your private responsibilities will permit you to accept. You have demonstrated, under terrific pressure, qualities of leadership and understanding of public problems of which this country will have a continuing need. My best wishes go with you in your future endeavors.

Very sincerely yours,

HARRY S. TRUMAN

NOTE: Mr. Porter served as Administrator, Office of Price Administration, from February 21, 1946, through December 4, 1946. His letter of resignation was released with the President's reply.

257 The President's News Conference of December 3, 1946

THE PRESIDENT. [1.] The first announcement I want to make is that O. Max Gardner will be Ambassador to Great Britain.

[2.] And there is another short statement I want to make about the State Department and this building over here. There has been some misapprehension about this building over here. It is still the headquarters of the State Department. The State Department has been housed in 36 buildings here in Washington, and we are trying to get that scattered number of the people who are in those 36 buildings, as nearly as we can, in this building up on Virginia Avenue. This building over here will still continue to be the State Department building, the headquarters of the Secretary and any offices he wants to have in it.

[3.] Then I want to say, so that it won't be necessary to ask the question, that there will be no comment and no statement on the coal situation at this time. It is pending in the court.

Now I am ready for questions.

Q. How about housing, Mr. President?

[4.] Q. Mr. President, without—I hope this isn't facetious or anything of that sort——

THE PRESIDENT. All right.

Q. —leaving the court question out, are you giving any consideration to getting coal mined?

THE PRESIDENT. I will make no comment on the coal situation.

Q. Strip mining——

Q. What was that question?

THE PRESIDENT. No comment. He wanted to know if I was going to make any effort to produce coal. I will make no comment on the coal situation at this time.

[5.] Q. Does that preclude questions

about the general labor situation, or Representative Rankin's call in particular? He said that you had told him that you were going to prepare the strongest message you knew how to prepare——

THE PRESIDENT. Well, that is true, but it doesn't necessarily refer entirely to labor. That refers to everything with which this country is confronted. Of course, I will send as strong a message as possible to the Congress, so that we can cooperate and get something done.

[6.] Q. Mr. President, I have been asked to put this question to you. Do you favor the proposal of Wilson Wyatt with the RFC Mortgage Company to issue second mortgages with 10 percent of the cost of constructing rental housing projects——

Q. I give up! [*Laughter*]

Q. —for veterans, so that the FHA— [*laughter*]—insured loans of 90 percent on that building may be 100 percent financially available? [*More laughter*]

Q. When did you stop?

THE PRESIDENT. Pete,¹ Mr. Wyatt and I are having a conference after this press conference, and if there is anything to announce, it will be announced after that meeting with Mr. Wyatt.

Q. Do you think you will have anything to announce?

THE PRESIDENT. Your guess is as good as mine.

[7.] Q. Mr. President, Senator Austin told the United Nations Site Committee that it could have the Presidio subject to congressional action, and indicated, I think, that the course of action met with your approval. Is that correct, sir?

¹ Raymond P. Brandt of the St. Louis Post-Dispatch.

THE PRESIDENT. That is absolutely correct.

Q. Does that mean that the Government favors the Presidio over some other site?

THE PRESIDENT. It means that the President is willing to, as far as he can, help the United Nations get the Presidio site if they want it. It is up to them to make the decision. I have no preference.

[8.] Q. Mr. President, do you know when Governor Gardner will assume his new duties?

THE PRESIDENT. As soon as he can get ready, I am certain.

[9.] Q. Mr. President, can you tell us what you talked about with Prime Minister Smuts of South Africa?

THE PRESIDENT. Had a most pleasant social visit with Prime Minister Smuts. One of the most interesting ones I have had since I have been President. He's a grand old man. Purely a social call.

[10.] Q. Mr. President, Senator O'Mahoney told us this morning that he had suggested to you that he was going to introduce legislation designed to encourage the annual wage in American industry. Do you have any comment on that suggestion?

THE PRESIDENT. No comment. He told me that, too, but I have no comment on it.

[11.] Q. Mr. President, in the new liquidation overall agency that is in the process of being set up, will housing go into that?

THE PRESIDENT. We are trying to work that out. As soon as it is completed, why I will give you the facts just as they are. It isn't ready yet.

[12.] Q. Mr. President, there is a report on the west coast that Senator Mitchell is to be appointed to the Maritime Commission. Is that correct?

THE PRESIDENT. I haven't heard about it.

[13.] Q. Mr. President, any successor to Governor Gardner over at Treasury?

THE PRESIDENT. No, not at the present

time. I am not ready to announce that yet.

[14.] Q. Mr. President, do you approve congressional investigation of the military government in Germany at this time? From start to finish all the way through?

THE PRESIDENT. I don't think it's necessary.

[15.] Q. Mr. President, will you combine your annual and Budget Messages again this year?

THE PRESIDENT. Well, that is yet to be determined. As soon as I have those details straightened out, I will inform you exactly how the procedure will follow.

Q. Mr. President, can you discuss the possible size of the budget?

THE PRESIDENT. No, I cannot. It is in the course of preparation, and no one—

Q. Trying to keep it around 30 to 32 billion?

THE PRESIDENT. —nobody knows what it will be until it is finished. No one can talk intelligently about it until it's in shape.

[16.] Q. Mr. President, is Senator Mead being considered for any Federal appointment?

THE PRESIDENT. Not that I know of.

[17.] Q. Mr. President, there is a report that the sponsors of the Toledo plan for labor-management peace presented the same idea to you for application on a national scale. Any comment on that?

THE PRESIDENT. Haven't heard about it.

[18.] Q. Mr. President, in view of the recurring attacks on Mr. Braden with regard to Argentine policy, I was wondering if you would state your views on the general situation?

THE PRESIDENT. Mr. Acheson stated my views yesterday.¹

¹ As reported in the New York Times of November 30, Dean Acheson, Under Secretary of State, said that the United States supported Assistant Secretary Spruille Braden's policy on Argentina.

[19.] Q. Mr. President, do you plan an early appointment to the FCC chairmanship?

THE PRESIDENT. The Federal Communications?

Q. Yes sir.

THE PRESIDENT. Well, I will make the appointment as soon as I can find the man to fill the job.

[20.] Q. Mr. President, any comment on Ambassador McNutt's visit to this country?

THE PRESIDENT. Well, Ambassador McNutt, I think, is here in the interest of getting certain details worked out on a purchasing program which we have already tried to implement. We are helping him all we can.

[21.] Q. Mr. President, is the White House heated by coal or oil? [*Laughter*]

THE PRESIDENT. The White House has three heating plants. I don't know whether any of them are run by coal or not. I know that one is run by oil. I don't even know where they are. [*More laughter*]

Q. You ought to make Pete give us a copy of that question he asked you. [*Laughter*]

THE PRESIDENT. Well, it has been suggested, Pete, that you furnish a copy—

Q. I won't read it again! [*More laughter*]

Q. Ask Pete if he has mimeographed copies!

Reporter: Thank you, Mr. President.

THE PRESIDENT. You're welcome.

NOTE: President Truman's ninetieth news conference was held in his office at the White House at 4 p.m. on Tuesday, December 3, 1946.

258 Statement by the President on the Veterans Emergency Housing Program. *December 4, 1946*

AFTER ONE YEAR of emergency action to get housing for the returning veterans the time has come for an appraisal of the accomplishments of our efforts and a reappraisal of the program itself. In December of last year I asked Mr. Wyatt to come to Washington as Housing Expediter and to present to me a daring program. Such a program was worked out and announced in February of this year. This emergency program called for putting under construction the largest number of homes and apartments in history and for (1) giving the veterans first opportunity to have these new units, (2) limiting non-residential construction to essential and non-deferrable projects, (3) increasing the production of building materials and distributing those materials to the proper places at the proper times, and (4) the development and expansion of a new industry of low cost factory built housing. Extraordinary powers were conferred on Mr.

Wyatt to accomplish the tremendous task ahead. Labor, industry, and the people of this country have cooperated in doing an outstanding job under his leadership.

It has now become clear that 1,000,000 dwelling units will have been put under construction and some 700,000 completed by the end of 1946. This accomplishment is outstanding. In the starting of permanent dwelling units we have achieved in one year's time a level that it took four years to reach after World War I. In addition, we have started about 300,000 conversions and temporary dwelling units. The public has realized the problem and has cooperated in the limitation of non-housing construction in order that resources might be devoted to the production of housing for veterans. Several hundred thousand projects have been patriotically deferred. The production of building materials has been increased with remarkable speed until, currently, many

materials are being produced at the highest levels in history.

The problems of starting and completing any program may be divided into at least two phases. These may be broadly defined as the first phase of seeing the problem, measuring it, and organizing to meet it. This phase is difficult and requires imagination and drive. Once the first phase is completed and the program is well under way, the problem becomes an administrative one. Balance must be maintained among the factors of production. The program must be geared into the whole economy so as to avoid distortions of such proportions that new emergencies are created.

The Veterans Emergency Housing Program has successfully passed through the first phase and is now well into the second phase. The problem has been recognized, it has been measured, and a successful organization has been set up to achieve the goals, as is evidenced by the increases in housing construction, and the increases in the production of building materials. The remainder of the program must now be faced within the framework of the government's announced policy of relaxing controls. Balance of materials and equipment must be achieved. The program must be given its proper emphasis in the overall economy and controls must be relaxed as rapidly as possible without threatening the success of the housing program.

Mr. Wyatt has served his country at great personal sacrifice, and with tremendous energy, ability, and devotion, during the past year. He has formulated and administered the type of emergency program which I

asked him to undertake a year ago. He has asked me to relieve him of the responsibility of administering the housing program now that we have reached the period of the relaxing of war time emergency measures. I have reluctantly acceded to Mr. Wyatt's desires and accepted his resignation. This does not mean that any major modification in the objective of rapidly and adequately housing our veterans has occurred. From the beginning, the program has been flexible and in the current review of the program, changes have been made and others will be made as we proceed.

As Mr. Wyatt has stated from the beginning of the Veterans Emergency Housing Program, there is a great need for rental housing for veterans. In addition to the governmental steps already taken to stimulate rental housing, Congress will be urged to give financial support to multi-unit low-rent apartments so as to enable private enterprise to go ahead with construction at current high costs with some assurance of being able to earn a fair return on the capital invested at the desired low rentals. Congress will again be requested to pass the Wagner-Ellender-Taft Housing Bill which contains important provisions to stimulate rental housing, the absence of which has been a serious handicap to the Veterans Emergency Housing program during 1946.

With regard to factory built housing, government loans and market guarantee contracts will be continued. Attention will continue to be given to the merits of the individual project and to the effect upon our entire economy.

259 Letter Accepting Resignation of Wilson Wyatt as Housing Expediter. *December 4, 1946*

My dear Wilson:

I have your letter dated December fourth and accept your resignation, effective at the close of business on December 5, 1946.

Your achievement has been outstanding, as I have today emphasized in a statement reviewing the year's activities. I desire here to reiterate my own appreciation of all that you have done. You have earned the thanks of the Nation and the special gratitude of the veterans whom you have served with such singleness of purpose and with such practical results.

My best wishes for your continued success and happiness are yours as you return to private life.

Very sincerely yours,

HARRY S. TRUMAN

[Honorable Wilson W. Wyatt, Housing Expediter, Office of the Administrator, National Housing Agency, Washington 25, D.C.]

NOTE: Mr. Wyatt served as Housing Expediter from December 12, 1945, through December 5, 1946. His letter of resignation was released with the President's reply.

260 Letter Accepting Resignation of J. D. Small as Civilian Production Administrator. *December 5, 1946*

[Released December 5, 1946. Dated December 4, 1946]

My dear Jack:

The considerations set forth in your letter of December third have been carefully weighed, as well as your wishes expressed to me in personal conferences from time to time. Since the work to which I assigned you in October 1945 is well in hand, I accept your resignation as Administrator, Civilian Production Administration, effective at the close of business on December 6, 1946.

You have ably guided the destinies of the Civilian Production Administration through the critical postwar period, exercising with rare skill and discretion the broad grant of authority which was yours to speed the transition from war to a full peacetime production.

There are yet important problems to be solved through the machinery of your Agency but I do not feel it fair to urge you

to remain when you have so long desired to return to private industry.

Now for several months we have been near to full-time employment, and we have reached a peak of production never before attained in time of peace. Your work, as originally assigned, therefore has been virtually completed.

In releasing you to return to private industry, I desire to tender you the thanks of the Nation which you have served with such fidelity and competence. There are men in business and in industry all over the country who will long remember with gratitude and appreciation the discretion which has inspired your decisions throughout the period of your administration.

As occasion demands, I shall wish to draw from your rich experience the counsel which you can give when problems in your field

arise. Meanwhile, my best wishes for your continued happiness and success as you return to private pursuits.

Very sincerely yours,

HARRY S. TRUMAN

[Honorable J. D. Small, Administrator, Civilian Production Administration, Washington 25, D.C.]

NOTE: Mr. Small served as Civilian Production Administrator from November 3, 1945, through December 6, 1946. His letter of resignation was released with the President's reply.

261 Message of Condolence to King George II Upon the Death of the Greek Ambassador. *December 7, 1946*

His Majesty George II
King of Hellenes
Athens

I wish to extend you my most heartfelt sympathy on the sad occasion of the sudden death of His Excellency Cimon Diamanto-

poulos. He was both a worthy representative of your valiant people and a greatly loved friend of this country. I feel a sense of personal loss in his passing.

HARRY S. TRUMAN

262 The President's News Conference of *December 12, 1946*

THE PRESIDENT. I have some announcements to make first.

[1.] [*Reading*] "In accordance with the provisions of the Atomic Energy Act of 1946, I am today appointing a General Advisory Committee to advise the Atomic Energy Commission on 'scientific and technical matters relating to materials, production, and research and development.'

"The appointees are—"

You will be handed a sheet which will give you the backgrounds on all these people.

"—Dr. Conant; DuBridge; Fermi; Oppenheimer; Rabi; Rowe; Seaborg; Smith; and Hood Worthington.

"I am advised by the Atomic Energy Commission that it will establish other committees to advise it on the problems and the applications of atomic energy in specific fields, including, among others, biology and medicine, geology and mining, and the social sciences."

[2.] And I have got another statement here for you. All these things will be handed to you as you go out, in mimeographed form.

[*Reading*]: "I have today appointed John R. Steelman as Assistant to the President, to continue to aid me in coordinating Federal agency programs and policies.

"Mr. Steelman, assisted by a small staff, will also continue to serve as liaison between the executive agencies and the President's Commission on Higher Education, as well as chairman of the President's Scientific Research Board which was established recently by Executive order to report to the President on current scientific research programs of the Federal Government and steps needed to coordinate and strengthen these programs.

[3.] "I have signed an Executive order,¹

¹Executive Order 9809 "Providing for the Disposition of Certain War Agencies" (3 CFR, 1943-1948 Comp., p. 151).

effective today, creating a new agency which will be known as the Office of Temporary Controls. The order consolidates the Office of War Mobilization and Reconversion, and the Office of Price Administration, the Civilian Production Administration, and the Office of Economic Stabilization into the new agency. I have appointed General Philip B. Fleming to head the new agency. In addition, he will continue as Federal Works Administrator.

"The Office of Temporary Controls will be responsible for carrying out the continuing responsibilities of the OPA and the CPA, and certain activities of the OWMR. The priorities powers under which CPA operates will expire March 31, except for building materials, unless extended by Congress. The principal OPA programs which continue by law are sugar rationing and rent control. The functionings of the Office of Economic Stabilization already have been largely terminated as the result of decontrol of prices and wages and the elimination of most items from rationing.

"The consolidation will result in economies in operation, and in a more rapid liquidation of personnel, property, records, etc., which are no longer needed for current programs.

"Although the reconversion program has not been completed, the actions taken by this order in reducing the number of agencies involved in reconversion matters and the recent removal of price and wage controls materially lessen the need for continuing a separate OWMR. The statute under which OWMR operates expires June 30, 1947. Until that date most residual functions will be carried on by the Office of Temporary Controls established by the order. The OWMR Advisory Board will be continued for some time. Its members have expressed to me the desire to wind up their work and

be relieved of their duties at the earliest practicable date.

[4.] "The order also terminates the Wage Stabilization Board as of February 24, 1947; and the Economic Stabilization Board——"

Q. What was the date on the Wage Stabilization again, Mr. President?

THE PRESIDENT. The order terminates as of today. This order is effective as of today. This affects these agencies today.

[*Continuing reading*] "and the Economic Stabilization Board is also terminated. It reestablishes the Office of Government Reports and transfers to it the functions of the Government Information Service of the Bureau of the Budget, and the functions of the Advertising and Motion Picture Divisions of the OWMR.

"The order transfers the functions of the Office of Contract Settlement to the Treasury Department and disposes of certain other wartime functions, including certain functions of the Wage Stabilization Board which are transferred to the Department of Labor."

[5.] I have appointed Mr. Frank Creedon of Massachusetts to be the Housing Expediter. Mr. Creedon was in charge of the construction of the Manhattan Project, and has had wide experience in this field.

[6.] I have appointed Raymond M. Foley of Michigan as Administrator of the National Housing Agency. Mr. Foley is now Commissioner of the Federal Housing Administration, and he will remain in that position also. Biographical information will be available on all these people as you go out.

I have called a meeting to discuss housing, in the Office of the President, at 3 o'clock this afternoon.

[7.] Q. Mr. President, may I ask one question? You said that——

THE PRESIDENT. I hope we could——

Q. ——on rents and sugar.

THE PRESIDENT. Sugar?

Q. Does that mean rice has been taken off controls?

THE PRESIDENT. No, no. Rice should be included in that.

[8.] Q. Mr. President, does this mean that Mr. Steelman ceases to be Reconversion Director?

THE PRESIDENT. Mr. Steelman will be Assistant to the President, to carry on the duties practically as he has been carrying them on; and whatever is necessary to be done on reconversion, he will continue to do.

Q. What happens to OWMR?

THE PRESIDENT. OWMR is abolished.

Q. Absorbed—

THE PRESIDENT. Absorbed in all these other agencies which I have named.

Q. He continues as Reconversion Director when needed?

THE PRESIDENT. That's right. Carries on the duties he has been carrying on as Assistant to the President.

[9.] Q. Is there any estimate of how much money will be saved and how many people will be affected by these—

THE PRESIDENT. No. But I can furnish you that as soon as the details have been worked out. The order was just promulgated today, and as soon as we have that information, why it will be available.

[10.] Q. Mr. President, is there an increase in rent ceilings in the immediate prospect?

THE PRESIDENT. Not that I know of. Never brought to me. It may be under consideration by OPA. I don't know.

[11.] Q. Mr. President, do you care to give us any views on the—your views on the housing program, which is fairly well confused in the public mind?

THE PRESIDENT. Well now, I will give you a complete outline. My views are—should be well known—will be, after I have this

conference this afternoon. I will furnish you with them.

Q. There will be something coming out?

THE PRESIDENT. Yes.

Q. What people mentioned in this order today—the new appointees—will be in on the housing meeting this afternoon?

THE PRESIDENT. Well, here's—those who will be here—it's on the record: General Fleming, George Allen, and John D. Goodloe, Frank Kelsey of the Home Loan Guarantee Division, Veterans Administration, General Littlejohn, and Raymond Foley, and Frank R. Creedon, and Mr. Steelman and myself.

[12.] Q. Mr. President, did you see the Nathan report to the CIO which suggests we ought to lift wages about 21 percent without a reduction in prices?

THE PRESIDENT. All I know about it is what I have seen in the paper. I haven't read the report. I have no comment on it.

[13.] Q. Mr. President, how long is it contemplated that the Office of Temporary Controls will need to complete the liquidating job?

THE PRESIDENT. As fast as it possibly can be done. I have been carrying out that program as rapidly as I possibly can ever since the 16th day of August 1945. I can't give you an estimate.

Q. No terminal date—

THE PRESIDENT. Terminal date is set by the Congress.

Q. The Second War Powers Act, Mr. President?

THE PRESIDENT. I think so.

Q. Is that the terminal date you refer to, sir?

THE PRESIDENT. Yes. The terminal date on most of these agencies, as soon as the work is done, will be terminated just as we have been terminating them right along; but whenever it is decided that the war is over,

all things terminate 6 months after that date.

Q. But there are various termination dates for different functions, aren't there?

THE PRESIDENT. That's true—that's true. That's the reason it is so difficult to get the thing lined up in order, because you use different words in different bills to describe the same thing.

[14.] Q. How are you getting on with the study on the formal termination of the war?

THE PRESIDENT. It is progressing, and had it not been for these strikes which we have had, I think we would have been able to issue that order now; but under the conditions we can't do it immediately.

Q. Speaking of strikes, Mr. President, a number of Senators have suggested that it might be desirable to create labor courts and refer these disputes to labor courts in advance of the strike. Do you favor that?

THE PRESIDENT. They haven't discussed it with me. I will tell you what I think when I write the message to Congress.

[15.] Q. Mr. President, there have been several stories published in the last week, saying that you are going to propose modifications of the Wagner Act. Is there anything to that?

THE PRESIDENT. Nobody has any right to quote me until I get ready to put out the message to Congress. You will know all about it.

[16.] Q. Mr. President, have you selected Mr. Max Gardner's successor yet?

THE PRESIDENT. No, as soon as he is selected, I will inform you right away.

[17.] Q. Mr. President, any merger legislation in your message to Congress?

THE PRESIDENT. Yes.

Q. Along the same lines as the——

THE PRESIDENT. Yes.

[18.] Q. Mr. President, when you declare the war emergency at an end, then

you don't want the Executive powers of the President to end at that point?

THE PRESIDENT. They automatically end 6 months after that declaration is made.

[19.] Q. Mr. President, at this date, do you see any chance for tax reduction recommendations?

THE PRESIDENT. I don't want to discuss that. I will put that in the message. [Laughter]

[20.] Q. Mr. President, are you going to consolidate the Budget and the State of the Union Messages?

THE PRESIDENT. No, no. There will be three messages to the Congress this time. The Message on the State of the Union, the Economic Advisory Message—Economic Council Message, and the Message on the Budget. Three separate documents.

Q. Released at separate times?

THE PRESIDENT. I beg your pardon?

Q. Will they all go up on the same day?

THE PRESIDENT. Oh, no. They will go up at separate times. You will have plenty of time to digest each one of them separately. [Laughter]

Q. Mr. President, the Republicans said at their National Committee meeting that they would not cooperate if you sent up a radical message.

THE PRESIDENT. Well now, who is to define that? Who is to say whether it's radical? I shall send up a message on what I believe to be necessary for the welfare of the United States, and that will be my viewpoint. They can have theirs. I don't care how they analyze it.

[21.] Q. Mr. President, with the Wage Stabilization Board ended now, what procedure is there, if any, for John L. Lewis to try to get concessions in the Government contract?

THE PRESIDENT. The John L. Lewis matter is in the courts, and as soon as the courts

have acted then I will tell you.

Q. Mr. President, do you plan to put your labor discussion in the Economic Council Message?

THE PRESIDENT. Some of it—or it will be in the State of the Union Message.

Q. Do you hope that the courts will follow the election returns in the case of Lewis?

THE PRESIDENT. I have no hopes. I don't think anyone should endeavor to influence the courts.

Reporter: Thank you, Mr. President.

NOTE: President Truman's ninety-first news conference was held in his office at the White House at 10:30 a.m. on Thursday, December 12, 1946.

263 Statement by the President Outlining the Housing Program for 1947. *December 14, 1946*

IN MY recent statement on housing I made it clear that there would be no major modification in the objective of rapidly and adequately housing our veterans. At the same time I emphasized the great need to stimulate rental housing for veterans and pointed out that the overall program must be within the framework of the Government's announced policy of relaxing controls.

I am determined that a vigorous housing program will continue to be carried out in 1947.

The techniques we will use are those that will work today. I am interested in results and I am convinced that this 1947 program will produce results.

The main point of emphasis for 1947 is rental housing. Within the total number of homes to be built, it is of major importance that a maximum number of rental units be provided. We are planning financing and other aids that will encourage builders to produce units for rent.

In 1947 we will continue, at least for some months, the basic limitation order on non-residential construction and the allocation of certain raw materials for the production of housing items. But these will be relaxed or dropped as rapidly as the situation permits. The priority rating system for builders and individuals is being discontinued.

We are also planning to carry through on certain special programs already underway—apprentice training; technical research; and above all steps to reduce permanently the cost of housing, most notably by aiding manufacturers of new materials and factory-built homes.

THE PROGRAM

Restrictions on Non-Residential Construction

The completion of homes must continue on an increasing scale. The most important governmental order which enables us to accomplish this purpose is the order limiting non-residential construction. This must be continued. However, there is increasing need for schools and stores and other community facilities in connection with new housing developments, and for certain essential industrial and research projects. Fortunately, we can safely permit some increase in non-housing construction because of the greatly increased volume of building materials. As the supply improves, the order can be relaxed to allow more non-residential construction.

Permission To Build Homes

During 1946, a large volume of dwelling units has been put under construction and the completion rate of these homes has been

increasing from month to month. Nevertheless, the veterans' need remains extremely urgent and we recognize this by continuing to give veterans preference for every dwelling unit constructed for sale or rent.

However, from now on any person who wishes to build a home for his personal occupancy will be permitted to do so, subject to certain restrictions. This will increase the over-all housing supply and, in many instances, make additional homes available for veterans.

The construction of housing will be authorized by Federal permits. The major restrictions which will be imposed are:

1. The proposed dwelling must be designed for year-round occupancy.
2. The total floor area will be restricted.
3. In the case of rental housing projects, maximum rents, excluding charges for services, will be set at a project average not exceeding \$80 per unit. Rentals will also be established for individual houses built for rental purposes.

The permit system will be simple. It will not be necessary to have sales prices set, or to meet the standards and inspection requirements of the present priority system.

Priorities

Priority ratings were necessary in 1946 while building materials were in critically short supply, but the increasing production of building materials coupled with the limitation on non-residential construction and a continued postponement of luxury-type housing make the priority system no longer necessary. Outstanding priorities with their attendant obligations will be honored, but the issuance of any additional priorities to builders or manufacturers of

homes will be discontinued as soon as the permit system gets into operation.

Allocation of Materials

The production of critical building materials will require the continued allocation of a few raw materials during the first quarter of 1947. If present high levels of production are maintained, it should be possible to discontinue raw materials allocation at that time.

Premium Payments

During 1946, premium payments have been successfully used for increasing the production of many building materials. However, present conditions require a critical review of each of these plans and the continuation of only those which will result in substantial benefits to housing.

Guaranteed Markets

The guaranteed market plans for industrial and prefabricated housing and for new types of materials will be continued. The Reconstruction Finance Corporation will continue to assist manufacturers of such housing and the producers of such materials by financial aid when it is warranted.

Surplus Property

For the past few months surplus property has been made available for housing purposes in increasing amounts. Building machinery and building materials and supplies will continue to go to home builders. The demolition program at old Army camps and other installations, another useful source of materials, will also go forward. During the next few months, many surplus buildings will be sold for use at other sites. I am also

asking the War Assets Administrator to establish procedures that will facilitate the sale of land and buildings together.

Export Controls

Export controls on building materials will be continued until the supply situation warrants their discontinuance. For the present we must limit the quantity of critical materials that can be sent abroad.

Rental Housing

More family units must be made available for rent to veterans. They should not be compelled to buy in order to get shelter. To increase the proportion of rental units, we intend to use all available means—new construction, conversion and rehabilitation, and re-use. The great bulk of this task will fall upon private enterprise. We are aiding private enterprise by simplifying and reducing various priority controls and by the measures taken to increase availability of materials. We also plan a number of financial measures that will encourage the construction of rental housing.

Insured Mortgage Financing

To provide assurance of continued insured mortgage financing to builders who are planning rental housing, I am making available to the Federal Housing Administration the second billion dollars of Title VI insurance authorization provided for in the Patman Act. This is to be used primarily for rental housing, together with the largest possible share of the first billion dollars directly authorized by Congress. Congress will be asked to advance the termination date of Title VI insured financing authority at least for rental housing, for a period sufficient to accomplish this objective.

Assistance for Rental Projects

The qualified FHA personnel freed from duties involved in controls now being removed or relaxed, will be made available to help private sponsors plan rental projects and to expedite processing for insured financing commitments.

The FHA is simplifying procedures and broadening eligibility standards which will expand the field of its operation in rental housing. More types of rental housing will now be eligible for FHA financing.

To remove uncertainty over adequacy of insured financing commitments for rental projects, the FHA will develop a procedure for review and amendment of commitments issued in advance of construction.

To reduce monthly payments and to make possible lower rents, the FHA will extend the term of amortization in its Title VI rental housing commitments beyond the usual 28 years, the amount of extension to be appropriate for the project proposed.

To guard against the possibility of lesser earnings of housing projects after the emergency is met, the FHA will work out with concurrence of lending institutions a set of regulations permitting the adjusting of mortgage terms at subsequent periods in the life of the project.

The National Housing Agency will proceed at once to arrange regional and local meetings of the building industry, including lenders, to canvass rental needs and possibilities in each area, and to develop speedy construction programs.

New Legislation

Studies now under way with respect to possible further aids and incentives to rental housing by act of Congress, in addition to previous proposals such as were contained

in the Wagner-Ellender-Taft bill, are to be concluded quickly. They will cover the field of cooperative and mutual housing enterprises, yield insurance, possible tax incentives, possible financing advantages and federally aided housing for low income groups.

Technical Research

Technical research in new building materials, and new methods of residential construction must be continued. The development of modern building codes must be encouraged. The Federal Government will make its services available to aid private industry and local governments in meeting these objectives.

Cost Reduction

Producing decent housing in quantity and at a cost consistent with reasonable ability of the mass of American families to pay, is a fundamental objective. All possible waste and inefficiency must be removed, including unnecessary governmental restrictions. All possible advantage through adoption and adaptation of new methods, techniques and materials must be utilized. Mass production, applying advantages of

prefabrication of varied types and industrialized procedures, offers promise in this direction, and is to be encouraged and assisted in keeping with orderly transition of the whole economy in the remaining reconversion period.

Labor

With the housing program in full swing, there may be a serious shortage of manpower in 1947 in the building trades. Therefore, continued efforts will be made to enlarge the present apprentice program and to secure adequate skilled and semi-skilled labor for home construction.

All that I have said thus far deals with the Government's part in a vast housing program.

The success of the program however, depends not alone on the Federal Government but on State and local governments, industry, labor and financial institutions. In many communities these groups are already united through their Mayors Emergency Housing Committees and other organizations to sponsor and build homes for veterans. We, as a Nation, owe the veterans an opportunity to have homes. We will see that they get them.

264 Letter to Granville Conway Asking Him To Serve as Coordinator of Emergency Export Programs.

December 17, 1946

My dear Captain Conway:

Last year, when you occupied the position of War Shipping Administrator, I appointed you Chairman of the Interagency Committee on Export Transportation. In that capacity you coordinated the work of all agencies concerned with the shipment of grain, grain products, and coal. Under your leadership,

these Government agencies succeeded in carrying out export programs of grain and coal of unprecedented magnitude.

Once again, we are faced with the problem of achieving large export goals in spite of serious obstacles. These obstacles are different, but no less serious than last year. This year, for example, we have a surplus

of grain; but the export program will not succeed unless it is given central direction. Whatever the problems, I am determined that our shipments of these critically needed products must be at maximum capacity for the coming months.

For that reason I have asked you to return to Government service for approximately ninety days to assume the post of Coordinator of Emergency Export Programs. As such, I wish you to coordinate the work of all agencies concerned and to see that these

programs are carried out successfully. To this end, you are authorized to call on all agencies to use their full legal powers and to take whatever steps are necessary. You can count on the cooperation of all concerned, and I know that with this cooperation you will fulfill your mission completely.

Very sincerely yours,

HARRY S. TRUMAN

[Captain Granville Conway, The Cosmopolitan Shipping Company, 42 Broadway, New York, N.Y.]

265 Statement by the President: United States Policy Toward China. *December 18, 1946*

LAST DECEMBER I made a statement of this Government's views regarding China.¹ We believed then and do now that a united and democratic China is of the utmost importance to world peace, that a broadening of the base of the National Government to make it representative of the Chinese people will further China's progress toward this goal, and that China has a clear responsibility to the other United Nations to eliminate armed conflict within its territory as constituting a threat to world stability and peace. It was made clear at Moscow last year that these views are shared by our Allies, Great Britain and the Soviet Union. On December 27th, Mr. Byrnes, Mr. Molotov and Mr. Bevin issued a statement which said, in part:

"The three Foreign Secretaries exchanged views with regard to the situation in China. They were in agreement as to the need for a unified and democratic China under the National Government for broad participation by democratic elements in all branches of the National Government, and for a cessation of civil strife. They affirmed their adherence

to the policy of non-interference in the internal affairs of China."

The policies of this Government were also made clear in my statement of last December. We recognized the National Government of the Republic of China as the legal government. We undertook to assist the Chinese Government in reoccupation of liberated areas and in disarming and repatriating the Japanese invaders. And finally, as China moved toward peace and unity along the lines mentioned, we were prepared to assist the Chinese economically and in other ways.

I asked General Marshall to go to China as my representative. We had agreed upon my statement of the United States Government's views and policies regarding China as his directive. He knew full well in undertaking the mission that halting civil strife, broadening the base of the Chinese Government and bringing about a united, democratic China were tasks for the Chinese themselves. He went as a great American to make his outstanding abilities available to the Chinese.

During the war, the United States entered

¹ See 1945 volume, this series, p. 543.

into an agreement with the Chinese Government regarding the training and equipment of a special force of 39 divisions. That training ended V-J Day and the transfer of the equipment had been largely completed when General Marshall arrived.

The United States, the United Kingdom and the Union of Soviet Socialist Republics all committed themselves to the liberation of China, including the return of Manchuria to Chinese control. Our Government had agreed to assist the Chinese Government in the reoccupation of areas liberated from the Japanese, including Manchuria, because of China's lack of shipping and transport planes. Three armies were moved by air and eleven by sea, to central China, Formosa, north China and Manchuria. Most of these moves had been made or started when General Marshall arrived.

The disarming and evacuation of Japanese progressed slowly—too slowly. We regarded our commitment to assist the Chinese in this program as of overwhelming importance to the future peace of China and the whole Far East. Surrendered but undefeated Japanese armies and hordes of administrators, technicians, and Japanese merchants, totalling about 3,000,000 persons, had to be removed under the most difficult conditions. At the request of the Chinese Government we had retained a considerable number of American troops in China, and immediately after V-J Day we landed a corps of Marines in north China. The principal task of these forces was to assist in the evacuation of Japanese. Only some 200,000 had been returned to Japan by the time General Marshall arrived.

General Marshall also faced a most unpropitious internal situation on his arrival in China. Communications throughout the country were badly disrupted due to destruction during the war and the civil con-

licts which had broken out since. This disruption was preventing the restoration of Chinese economy, the distribution of relief supplies, and was rendering the evacuation of Japanese a slow and difficult process. The wartime destruction of factories and plants, the war-induced inflation in China, the Japanese action in shutting down the economy of occupied China immediately after V-J Day, and finally the destruction of communications combined to paralyze the economic life of the country, spreading untold hardship to millions, robbing the victory over the Japanese of significance to most Chinese and seriously aggravating all the tensions and discontents that existed in China.

Progress toward solution of China's internal difficulties by the Chinese themselves was essential to the rapid and effective completion of most of the programs in which we had already pledged our assistance to the Chinese Government. General Marshall's experience and wisdom were available to the Chinese in their efforts to reach such solutions.

Events moved rapidly upon General Marshall's arrival. With all parties availing themselves of his impartial advice, agreement for a country-wide truce was reached and announced on January 10th. A feature of this agreement was the establishment of a unique organization, the Executive Headquarters in Peiping. It was realized that due to poor communications and the bitter feelings on local fronts, generalized orders to cease fire and withdraw might have little chance of being carried out unless some authoritative executive agency, trusted by both sides, could function in any local situation.

The Headquarters operated under the leaders of three commissioners—one American who served as chairman, one Chinese

Government representative, and one representative of the Chinese Communist Party. Mr. Walter S. Robertson, Chargé d'Affaires of the American Embassy in China, served as chairman until his return to this country in the fall. In order to carry out its function in the field, Executive Headquarters formed a large number of truce teams, each headed by one American officer, one Chinese Government officer, and one Chinese Communist officer. They proceeded to all danger spots where fighting was going on or seemed impending and saw to the implementation of the truce terms, often under conditions imposing exceptional hardships and requiring courageous action. The degree of cooperation attained between Government and Communist officers in the Headquarters and on the truce teams was a welcome proof that despite two decades of fighting, these two Chinese groups could work together.

Events moved forward with equal promise on the political front. On January 10th, the Political Consultative Conference began its sessions with representatives of the Kuomintang or Government Party, the Communist Party and several minor political parties participating. Within three weeks of direct discussion these groups had come to a series of statesman-like agreements on outstanding political and military problems. The agreements provided for an interim government of a coalition type with representation of all parties, for revision of the Draft Constitution along democratic lines prior to its discussion and adoption by a National Assembly and for reduction of the Government and Communist armies and their eventual amalgamation into a small modernized truly national army responsible to a civilian government.

In March, General Marshall returned to this country. He reported on the important step the Chinese had made toward peace and unity in arriving at these agreements.

He also pointed out that these agreements could not be satisfactorily implemented and given substance unless China's economic disintegration were checked and particularly unless the transportation system could be put in working order. Political unity could not be built on economic chaos. This Government had already authorized certain minor credits to the Chinese Government in an effort to meet emergency rehabilitation needs as it was doing for other war devastated countries throughout the world. A total of approximately \$66,000,000 was involved in six specific projects, chiefly for the purchase of raw cotton, and for ships and railroad repair material. But these emergency measures were inadequate. Following the important forward step made by the Chinese in the agreements as reported by General Marshall, the Export-Import Bank earmarked a total of \$500,000,000 for possible additional credits on a project by project basis to Chinese Government agencies and private enterprises. Agreement to extend actual credits for such projects would obviously have to be based upon each Government's policy as announced December 15, 1945. So far, this \$500,000,000 remains earmarked, but unexpended.

While comprehensive large scale aid has been delayed, this Government has completed its wartime lend-lease commitments to China. Lend-lease assistance was extended to China to assist her in fighting the Japanese, and later to fulfill our promise to assist in re-occupying the country from the Japanese. Assistance took the form of goods and equipment and of services. Almost half the total made available to China consisted of services, such as those involved in air and water transportation of troops. According to the latest figures reported, lend-lease assistance to China up to V-J Day totaled approximately \$870,000,000. From V-J Day

to the end of February, shortly after General Marshall's arrival, the total was approximately \$600,000,000—mostly in transportation costs. Thereafter, the program was reduced to the fulfillment of outstanding commitments, much of which was later suspended.

A considerable quantity of civilian goods has also been made available by our agreement with China for the disposal of surplus property which enabled us to liquidate a sizable indebtedness and to dispose of large quantities of surplus material. During the war the Chinese Government furnished Chinese currency to the United States Army for use in building its installations, feeding the troops, and other expenses. By the end of the war this indebtedness amounted to something like 150,000,000,000 Chinese dollars. Progressive currency inflation in China rendered it impossible to determine the exact value of the sum in United States currency.

China agreed to buy all surplus property owned by the United States in China and on seventeen Pacific Islands and bases with certain exceptions. Six months of negotiations preceded the agreement finally signed in August. It was imperative that this matter be concluded in the Pacific as had already been done in Europe, especially in view of the rapid deterioration of the material in open storage under tropical conditions and the urgent need for the partial alleviation of the acute economic distress of the Chinese people which it was hoped this transaction would permit. Aircraft, all non-demilitarized combat material, and fixed installations outside of China were excluded. Thus, no weapons which could be used in fighting a civil war were made available through this agreement.

The Chinese Government cancelled all but 30,000,000 United States dollars of our

indebtedness for the Chinese currency, and promised to make available the equivalent of 35,000,000 United States dollars for use in paying United States governmental expenses in China and acquiring and improving buildings and properties for our diplomatic and consular establishments. An additional sum of 20,000,000 United States dollars is also designated for the fulfillment of a cultural and educational program.

Before General Marshall arrived in China for the second time, in April, there was evidence that the truce agreement was being disregarded. The sincere and unflagging efforts of Executive Headquarters and its truce teams have succeeded in many instances in preventing or ending local engagements and thus saved thousands of lives. But fresh outbreaks of civil strife continued to occur, reaching a crisis of violence in Manchuria with the capture of Changchun by the Communists and where the presence of truce teams had not been fully agreed to by the National Government.

A change in the course of events in the political field was equally disappointing. Negotiations between the Government and the Communists have been resumed again and again, but they have as often broken down. Although hope for final success has never disappeared completely, the agreements made in January and February have not been implemented, and the various Chinese groups have not since that time been able to achieve the degree of agreement reached at the Political Consultative Conference.

There has been encouraging progress in other fields, particularly the elimination of Japanese from China. The Chinese Government was responsible under an Allied agreement for the disarmament of all Japanese military personnel and for the repatriation of all Japanese civilians and military person-

nel from China, Formosa and French Indo-China north of the sixteenth degree of latitude. Our Government agreed to assist the Chinese in this task. The scope of the job was tremendous. There were about 3,000,000 Japanese, nearly one-half of them Army or Navy personnel to be evacuated. Water and rail transportation had been destroyed or was immobilized. Port facilities were badly damaged and overcrowded with relief and other supplies. The Japanese had to be disarmed, concentrated and then transported to the nearest available port. In some instances this involved long distances. At the ports they had to be individually searched and put through a health inspection. All had to be inoculated. Segregation camps had to be established at the ports to cope with the incidence of epidemic diseases such as Asiatic cholera. Finally, 3,000,000 persons had to be moved by ship to Japan.

American forces helped in the disarmament of Japanese units. Executive Headquarters and its truce teams were able to make the complicated arrangements necessary to transfer Japanese across lines and through areas involved in civil conflict on their way to ports of embarkation. American units also participated in the inspections at the port, while American medical units supervised all inoculation and other medical work. Finally, American and Japanese ships under the control of General MacArthur in Japan, and a number of United States Navy ships under the Seventh Fleet transported this enormous number of persons to reception ports in Japan.

At the end of last year, approximately 200,000 Japanese had been repatriated. They were leaving Chinese ports at a rate of about 2,500 a day. By March of this year, rapidly increased efforts on the part of the American forces and the Chinese authorities involved had increased this rate

to more than 20,000 a day. By November, 2,986,438 Japanese had been evacuated and the program was considered completed. Except for indeterminate numbers in certain parts of Manchuria, only war criminals and technicians retained on an emergency basis by the Chinese Government remain. That this tremendous undertaking has been accomplished despite conflict, disrupted communications and other difficulties will remain an outstanding example of successful American-Chinese cooperation toward a common goal.

Much has been said of the presence of United States armed forces in China during the past year. Last fall these forces were relatively large. They had to be. No one could prophesy in advance how well the Japanese forces in China would observe the surrender terms. We had to provide forces adequate to assist the Chinese in the event of trouble. When it became obvious that the armed Japanese would not be a problem beyond the capabilities of the Chinese Armies to handle, redeployment was begun at once.

The chief responsibility of our forces was that of assisting in evacuation of Japanese. This task was prolonged by local circumstances. Provision of American personnel for the Executive Headquarters and its truce teams has required a fairly large number of men, particularly since the all important network of radio and other communications was provided entirely by the United States. The Executive Headquarters is located at Peiping, a hundred miles from the sea and in an area where there was the possibility of local fighting. Hence, another responsibility was to protect the line of supply to and from Headquarters. Another duty our forces undertook immediately upon the Japanese surrender was to provide the necessary protection so that coal from the great mines northeast of Tientsin could reach the sea

for shipment to supply the cities and railroads of central China. This coal was essential to prevent the collapse of this industrial area. Our Marines were withdrawn from this duty last September. Other units of our forces were engaged in searching for the bodies or graves of American soldiers who had died fighting the Japanese in China. Still others were required to guard United States installations and stores of equipment, and to process these for return to this country or sale as surplus property.

At peak strength a year ago we had some 113,000 soldiers, sailors and marines in China. Today this number is being reduced to less than 12,000, including some 2,000 directly concerned with the operations of Executive Headquarters and will be further reduced to the number required to supply and secure the American personnel of Executive Headquarters and the air field and stores at Tsingtao.

Thus during the past year we have successfully assisted in the repatriation of the Japanese, and have subsequently been able to bring most of our own troops home. We have afforded appropriate assistance in the reoccupation of the country from the Japanese. We have undertaken some emergency measures of economic assistance to prevent the collapse of China's economy and have liquidated our own wartime financial account with China.

It is a matter of deep regret that China has not yet been able to achieve unity by peaceful methods. Because he knows how serious the problem is, and how important it is to reach a solution, General Marshall has remained at his post even though active negotiations have been broken off by the Communist Party. We are ready to help China as she moves toward peace and genuine democratic government.

The views expressed a year ago by this

Government are valid today. The plan for political unification agreed to last February is sound. The plan for military unification of last February has been made difficult of implementation by the progress of the fighting since last April, but the general principles involved are fundamentally sound.

China is a sovereign nation. We recognize that fact and we recognize the National Government of China. We continue to hope that the Government will find a peaceful solution. We are pledged not to interfere in the internal affairs of China. Our position is clear. While avoiding involvement in their civil strife, we will persevere with our policy of helping the Chinese people to bring about peace and economic recovery in their country.

As ways and means are presented for constructive aid to China, we will give them careful and sympathetic consideration. An example of such aid is the recent agricultural mission to China under Dean Hutchison of the University of California sent at the request of the Chinese Government. A joint Chinese-American Agricultural Collaboration Commission was formed which included the Hutchison mission. It spent over four months studying rural problems. Its recommendations are now available to the Chinese Government, and so also is any feasible aid we can give in implementing those recommendations. When conditions in China improve, we are prepared to consider aid in carrying out other projects, unrelated to civil strife, which would encourage economic reconstruction and reform in China and which, in so doing, would promote a general revival of commercial relations between American and Chinese businessmen.

We believe that our hopes for China are identical with what the Chinese people themselves most earnestly desire. We shall there-

fore continue our positive and realistic policy toward China which is based on full respect for her national sovereignty and on our

traditional friendship for the Chinese people and is designed to promote international peace.

266 The President's News Conference of December 18, 1946

THE PRESIDENT. [1.] Reiteration of the policy toward China was released today. I think you have all had it.

[2.] And also, the Economic Council's Report to me was released to you.¹

I have no special announcements to make. If anybody has any questions—

[3.] Q. Mr. President, was there any reason for the timing of the Chinese announcement?

THE PRESIDENT. Not that I know of.

Q. What was the purpose of it?

THE PRESIDENT. So the people would know what our policy toward China is.

Q. You mean American people?

THE PRESIDENT. Yes.

[4.] Q. Mr. President, I have a specific question, sir, on the Economic Council's Report.

THE PRESIDENT. Shoot.

Q. I see Dr. Nourse is here. I am very curious, sir, as to why the figure of approximately 1,500,000 electrical refrigerators and ranges—washing machines, rather, was used as a symbol for what would be good in 1947 and 1948, since the revised Commerce Department figure shows that in one instance it was better in 1939 and the other almost as good, which certainly was not a full employment year. Have you had any information on that, sir?

THE PRESIDENT. No. I have these economists to make that report to me for that pur-

pose, and I haven't studied the report carefully. Maybe Dr. Nourse would want to answer that question?

Dr. Nourse: I don't think that the report said that. I thought it said "and similar figures" after speaking of housing as to those electrical appliances.

THE PRESIDENT. Read the report carefully. I don't think it has any wild statements. [Laughter]

[5.] Q. Mr. President, to go back to your Chinese statement, at the time that you sent General Marshall over, I believe you said fairly carefully that he would stay a matter of months, and it has now been just over a year; and I wonder if you expect that he will continue—

THE PRESIDENT. One year is 12 months. That statement was made the 15th of December last year—1945. This reiterates a clarification of the situation as it has developed. General Marshall will stay as long as it is necessary with the hope of getting the thing settled.

[6.] Q. Mr. President, on the Economic Council's Report—

[7.] THE PRESIDENT. General Marshall has done a remarkable job. Nobody could have done better.

[8.] Go ahead with your Economic Council—

Q. In view of the possibility of a recession in 1947 and—

THE PRESIDENT. What makes you think there's a possibility of a recession in 1947? I don't admit to any such thing.

¹ The First Report of the Council of Economic Advisers is printed in Senate Document 6 (80th Cong., 1st sess.).

Q. The report suggests that there are factors which might bring about one.

THE PRESIDENT. Well, I haven't carefully read the report, but I don't agree with any such suggestions.

Q. Mr. President, will your report to Congress be more specific than this report?

THE PRESIDENT. Yes.

Q. You will have more concrete proposals?

THE PRESIDENT. Yes. My report will be a concrete report.

Q. You will have a report—

THE PRESIDENT. I will discuss it with you just like I will the budget.

Q. Will it contain legislation—

Q. Contain recommendations?

THE PRESIDENT. Yes.

Q. This one was very vague.

THE PRESIDENT. It will contain specific recommendations.

Q. Mr. President, some of the discussed implications of this report are that not very much in the way of legislation seemed to be necessary for next year.

THE PRESIDENT. I am very glad to hear that. [Laughter]

[9.] Q. Mr. President, can—I have one more question about China.

THE PRESIDENT. Sure.

Q. In your statement you said that we started—that we have continued this policy. You mean the point that while we haven't attained the objective which we sought and which we are still seeking, would it be correct to assume that this policy is permanent—I mean by that until that objective is attained?

THE PRESIDENT. This policy is a continuing policy, that's the reason I reiterate it.

[10.] Q. Mr. President, would you care to say what you think the outlook for 1947 is, in an economic way?

Voices: Can't hear—can't hear.

THE PRESIDENT. He wants to know what, in my opinion, the economic outlook for 1947 is. Well, I think I made the statement time and again that the outlook for the country is good, and it will continue to be good if we can just get people to go to work. I have reiterated that ever since my speech in Kentucky, at the dedication of that dam.

[11.] Q. Mr. President, getting back to China—is that 500 million dollar import credit endangered by the present statement?

THE PRESIDENT. The 500 million import, I hope, is not endangered.

Q. You hope it is not?

THE PRESIDENT. I don't want to make a positive statement on it.

[12.] Q. Mr. President, when you say "go to work," I think the original was made during a strike. Do you mean to say now that we have to go to work or keep on working—

THE PRESIDENT. Stay at work.

Q. You don't want any strikes in 1947?

THE PRESIDENT. Nobody wants any strikes. I never want any strikes at all, and I don't think any of them were necessary.

Q. Mr. President, can you say anything about your specific recommendations to Congress?

THE PRESIDENT. No. I will give you that when I get ready to make it.

Q. Mr. President, yesterday Mr. Stassen posed the problem of clarifying the national labor policy as prior to and more immediate than the problem of housing. Do you share that view?

THE PRESIDENT. I will set that out in clear and understandable terms in the Message on the State of the Union.

[13.] Q. Mr. President, at our last conference you said you hadn't had a chance to look at the Nathan report. Have you in the meantime, sir?

THE PRESIDENT. Looked at what?

Q. The Nathan report.

THE PRESIDENT. No. I haven't looked at it.

[14.] Q. Mr. President, have you had specific recommendations for legislation from the Economic Advisers Council?

THE PRESIDENT. I have—I will get those recommendations. I am not ready yet to discuss them because they are not ready. When I get ready to send out the documents to Congress—my reports to the Congress—I will see that you are fully informed.

[15.] Q. Senator Vandenberg suggested yesterday that he would like certain areas of bipartisan agreement on foreign policy—to cover all phases of international relations. Have you given that any thought?

THE PRESIDENT. Yes. We have always had that in mind. When we say bipartisan policy in international relations that covers the whole field. We have been trying to adhere to that policy right straight through.

Q. He mentions specifically that there have been no bipartisan conversations on things like Argentina and the Far East—Palestine.

THE PRESIDENT. Well, the President is responsible for the foreign policy of the United States, and when it becomes the duty of the Senate to become involved, they will be informed and the matter will be discussed with them.

[16.] Q. Mr. President, do you subscribe to the theory of *laissez faire* on external remedies, as expounded in the Economic Reports?

THE PRESIDENT. I will answer that question in my report to the Congress.

[17.] Q. Mr. President, do you know when General Marshall might come home to make a report again?

THE PRESIDENT. No. I have no comment to make on that.

Q. Mr. President, are you urging the Nationalist government in China to accept Communists in the cabinet?

THE PRESIDENT. That is set out fully in this report here. If you will read this report, this statement that I have just issued you, you will get that information. That has been the policy all along.

Q. Is that what you mean by unification?

THE PRESIDENT. Yes.

[18.] Q. Mr. President, have you given any more thought to finding a man to take Mr. Gardner's place?

THE PRESIDENT. Yes. I have given it some thought. I have reached no conclusions.

[19.] Q. Mr. President, is there any progress on the United States nomination of a new President of the World Bank?

THE PRESIDENT. Not yet. When we are ready, I will announce it.

[20.] Q. Mr. President, will the good old St. Lawrence Seaway be in your message to Congress? [Laughter]

THE PRESIDENT. That will speak for itself when it comes out.

[21.] Q. Mr. President, do you intend to combine the Budget and State of the Union Messages?

THE PRESIDENT. No, I do not. There will be a State of the Union Message. There will be a Message on the Economic Council program, and there will be a Budget Message—issued in that order.

Q. Budget Message be based on existing laws?

THE PRESIDENT. Of course. What else could you base it on?

Q. I was just thinking of last year's message, based, as I recall, on your recommendations—

THE PRESIDENT. Well of course, it will be based—the budget itself will be based on law. You make certain recommendations

in the budget which are not a part of it until they become the law, if you want to make a hairline distinction on it.

[22.] Q. Mr. President, would you care to comment on the suggestion by Senators Murray and Flanders that the work we have been doing in China be extended by the establishment of a three-nation board—the Soviet Union, Britain, and United States?

THE PRESIDENT. I have no comment.

[23.] Q. Mr. President, can you tell us where you will be Christmas Day?

THE PRESIDENT. I will be at home with my feet under the table, I hope. [Laughter]

[24.] Q. Mr. President, the Republicans

are keeping us busy these days saying they are not candidates in 1948. Would you accept the 1948 renomination?

THE PRESIDENT. I have no comment. [Laughter]

Reporter: Thank you, Mr. President.

THE PRESIDENT. You are welcome. I want to wish you all a Merry Christmas. I probably won't see you until after Christmas.

Voices: Same to you, sir. Thank you, sir.

NOTE: President Truman's ninety-first news conference was held in his office at the White House at 4 p.m. on Wednesday, December 18, 1946.

267 Statement by the President Concerning the Transportation of Refugees to the United States. December 19, 1946

DURING the Christmas season a year ago, on December 22, 1945, I issued a directive to a number of Executive agencies designed to facilitate the immigration of refugees and displaced persons up to the full limit provided by the immigration law.¹

Up to October 21, 1946, only 4,767 persons were provided for under these arrangements. At the present time, foreseeable sailings in 1946 will provide for only 683 more persons.

These delays have caused a serious situation among displaced persons who hold immigration visas for the United States and are waiting for shipping. At Bremerhaven, for example, 2100 persons, including 177 orphaned children, are crowded into an embarkation center designed to accommodate only transients.

Mindful of the bleak Christmas ahead for these people who have already suffered so much, I have taken up this matter with the Maritime Commission and can hold out hope of early improvement.

The S.S. *Ernie Pyle* will sail from New York on December 20, and will arrive in Bremerhaven on New Year's Day. The S.S. *Marine Marlin* will sail from New York on December 27 and will arrive in Bremerhaven on January 6, 1947. The S.S. *Marine Flasher* will arrive in Bremerhaven on January 8.

In addition, the S.S. *Marine Falcon*, now in the Pacific, will arrive in Bremerhaven during the latter part of January.

Each of these vessels has facilities to transport approximately 900 passengers. They will be kept in this service until the situation has been fully relieved.

¹ See 1945 volume, this series, p. 572.

268 Remarks to the President's Advisory Commission on Universal Training. *December 20, 1946*

I AM VERY MUCH interested in this Commission, because I am very much interested in the coming generation. We found, through the records of the draft boards, that almost 30 percent of our young people who were called up for military service were unfit physically or mentally. That is a terrible reflection on a free country.

I have been interested in the physical development and the mental and moral development of young people ever since I was graduated from high school. I have been somewhat of a student of history, and I have discovered that great republics of the past always passed out when their peoples became prosperous and fat and lazy, and were not willing to assume their responsibilities.

In other words, when the Romans and the Greeks and some of the ancient Mesopotamian countries turned to mercenary defense forces, they ended. That is, when the people of a nation would not do the necessary service to continue their government, it ended eventually in one way or another. That has been true of modern nations also.

I want to see this Republic continue. It is the greatest government that the world has seen. It is set up in a way that divides the power of the government among three different sections. That is, we have the legislative branch and the executive branch headed by the President, and we have the independent judiciary.

I want our young people to be informed on what this government is, what it stands for—its responsibilities. And I think the best way to do this is through a universal training program. I don't like to think of it as a universal military training program. I want it to be a universal training program,

giving our young people a background in the disciplinary approach of getting along with one another, informing them of their physical makeup, and what it means to take care of this Temple which God gave us. If we get that instilled into them, and then instill into them a responsibility which begins in the township, in the city ward, the first thing you know we will have sold our Republic to the coming generations as Madison and Hamilton and Jefferson sold it in the first place.

I hope you gentlemen, and Mrs. Rosenberg, will approach this job with the idea of insuring the continuation of our form of government. I want you to call as witnesses, if you will, the Secretary of State, the Secretary of War and the Secretary of the Navy, and any other Cabinet members that you think could contribute information to you. The Secretary of Labor can be of great help to you.

Then go outside the executive branch and talk to leaders in the House and the Senate. I want you to be known as the President's Advisory Commission on Universal Training. I want that word *military* left out. The military phase is incidental to what I have in mind.

The modern nation no longer depends solely on the Army and Navy for its protection. Any difficulty in which it is necessary for the Army and Navy to fight, involves the whole country. It is a total war these days. More people were killed behind the lines in enemy countries, and in friendly countries, than were killed on the battlefronts. Now that is a startling statement, but if you look at the figures you will find that that is the case.

The two things that I am most interested in as President of the United States are peace in the world and production at home. We must make our production machine work in peacetime as it did in wartime, so that everybody can have his share of the good things of life under our form of government. And then, if we have peace in the world, we can create that situation in the other countries.

We don't want any territory. We don't want to hog the trade of the world. We do want an interchange of ideas and of merchandise and everything of that sort.

You can help greatly to bring these things about. You are not to be rushed. When you get through, I want you to give me a

report of your findings—I didn't intend to make a speech at all.

NOTE: The President spoke at the White House at 10 a.m. at the Commission's first meeting. On the day before he had announced the appointment of the Commission, composed of the following members: Joseph E. Davies, Washington, D.C., lawyer, former Ambassador; Dr. Daniel Poling, Boston Mass., editor, *The Christian Herald*; Samuel I. Rosenman, New York, jurist, former Special Counsel to the President; Mrs. Anna Rosenberg, New York, public and industrial relations consultant; Truman K. Gibson, Jr., Chicago, Ill., lawyer, former Civilian Aide to the Secretary of War; Dr. Harold W. Dodds, Princeton, N.J., president, Princeton University; The Reverend Edmund A. Walsh, Washington, D.C., vice president, Georgetown University; Dr. Karl T. Compton, Cambridge, Mass., president, Massachusetts Institute of Technology; Charles E. Wilson, New York, president, General Electric Company.

269 Letter Accepting Resignation of Edwin A. Locke, Jr., as Special Assistant to the President. *December 23, 1946*

Dear Eddie:

It is inevitable in government service that there must be withdrawals and separations and the breaking of official ties which also, in many instances, involve friendships and delightful personal associations. Your own determination to leave the public service is a case in point.

Greatly as I hate to lose you for personal as well as for official reasons, I cannot for selfish considerations stand in the way of your best interests. Reluctantly therefore, I accept, effective at the close of business on December thirty-first next, the resignation as Special Assistant to the President which you submitted in your letter of December sixteenth. You came into the service of the government in a time of grave national crisis and successively in different and exacting

positions of trust and responsibility—latterly as my Special Assistant—discharged your duties with singular ability and efficiency.

Your contributions to the winning of the war were not more helpful than have been your counsels and your work in implementation of policy during the period of reconversion and return to a peacetime policy.

As you return to private life, I can say very heartily: well done. You must not be surprised if, from time to time, I call upon you for advice and assistance.

My best wishes for your continued success go with you.

Very sincerely yours,

HARRY S. TRUMAN

NOTE: Mr. Locke served as Special Assistant to the President from March 19, 1946, through December 31, 1946. His letter of resignation was released with the President's reply.

270 Statement by the President Upon Signing Order Creating an Amnesty Board To Review Convictions Under the Selective Service Act. *December 23, 1946*

FREEDOM of conscience is basic to our American tradition of individual liberty. The Congress recognized this traditional freedom when it enacted the Selective Training and Service Act of 1940. That Act recognized conscientious objection to war by reason of religious training and belief, and provided alternative service in work of national importance under civilian direction.

Under this program, about 25,000 men were inducted and served in the Armed Forces as non-combatants. Some of these men received awards for heroism up to and including the Congressional Medal of Honor. In addition, about 12,000 men served through the war in Civilian Public Service Camps, where they performed tasks in connection with the preservation of our natural resources.

Acting under the powers granted the President by the Constitution, I have today issued an Executive order creating the President's

Amnesty Board. This Board will examine the cases of all persons convicted under the Selective Training and Service Act of 1940, and will recommend those persons it deems deserving of Executive clemency.

The Chairman of the President's Amnesty Board will be the Honorable Owen J. Roberts of Washington, D.C., former Associate Justice, Supreme Court of the United States; recently Chairman of the War Department Advisory Board on Clemency. The other members will be Mr. James F. O'Neil, Chief of Police of Manchester, New Hampshire, former Vice-Chairman of the Americanization Committee, the American Legion; and Mr. Willis Smith of Raleigh, North Carolina, former President of the American Bar Association.

NOTE: The text of Executive Order 9814 (3 CFR, 1943-1948 Comp., p. 594) was released with the President's statement.

271 Address at the Lighting of the National Community Christmas Tree on the White House Grounds. *December 24, 1946*

[Broadcast nationally at 5:15 p.m.]

Fellow citizens everywhere:

Again our thoughts and aspirations and the hopes of future years turn to a little town in the hills of Judea where on a winter's night two thousand years ago the prophecy of Isaiah was fulfilled.

Shepherds keeping the watch by night over their flock heard the glad tidings of great joy from the angels of the Lord singing, "Glory to God in the Highest and on Earth, peace, good will toward men."

The message of Bethlehem best sums up our hopes tonight. If we as a nation, and the other nations of the world, will accept it, the star of faith will guide us into the place of peace as it did the shepherds on that day of Christ's birth long ago.

I am sorry to say all is not harmony in the world today. We have found that it is easier for men to die together on the field of battle than it is for them to live together at home in peace. But those who died have

died in vain if in some measure, at least, we shall not preserve for the peace that spiritual unity in which we won the war.

The problems facing the United Nations—the world's hope for peace—would overwhelm faint hearts. But, as we continue to labor for an enduring peace through that great organization, we must remember that the world was not created in a day. We shall find strength and courage at this Christmas time because so brave a beginning has been made. So with faith and courage we shall work to hasten the day when the sword is replaced by the plowshare and nations do not "learn war any more."

Selfishness and greed, individual or national, cause most of our troubles. He whose birth we celebrate tonight was the world's greatest teacher. He said:

"Therefore all things whatsoever ye would that men should do to you, do ye even so to them; for this is the law and the prophets."

Through all the centuries since He spoke, history has vindicated His teaching.

In this great country of ours has been demonstrated the fundamental unity of Christianity and democracy. Under our heritage of freedom for everyone on equal terms, we also share the responsibilities of government. Our support of individual freedom—free speech, free schools, free press, and a free

conscience—transcends all our differences. Although we may not hope for a New Heaven and a New Earth in our day and generation; we may strive with undaunted faith and courage to achieve in the present some measure of that unity with which the Nation's sons and the sons of our allies went forth to win the war.

We have this glorious land not because of a particular religious faith, not because our ancestors sailed from a particular foreign port. We have our unique national heritage because of a common aspiration to be free and because of our purpose to achieve for ourselves and for our children the good things of life which the Christ declared He came to give to all mankind.

We have made a good start toward peace in the world. Ahead of us lies the larger task of making the peace secure.

The progress we have made gives hope that in the coming year we shall reach our goal. May 1947 entitle us to the benediction of the Master: "Blessed are the peacemakers, for they shall be called the children of God."

Because of what we have achieved for peace, because of all the promise our future holds, I say to all my countrymen: Merry Christmas!

Merry Christmas, and may God bless you all!

272 The President's News Conference on the Termination of Hostilities of World War II. *December 31, 1946*

THE PRESIDENT. Gentlemen, I want to read you a proclamation—a statement on a proclamation; and when I get through reading that statement and proclamation, and a list of things affected by the proclamation, it will be handed to you.

[*Reading:*] "I have today issued a proclamation terminating the period of hostilities

of World War II, as of 12 o'clock noon today, December 31st, 1946.

"Under the law, a number of war and emergency statutes cease to be effective upon the issuance of this proclamation. It is my belief that the time has come when such a declaration can properly be made, and that it is in the public interest to make it. Most

of the powers affected by the proclamation need no longer be exercised by the executive branch of the Government. This is entirely in keeping with the policies which I have consistently followed in an effort to bring our economy and our Government back to a peacetime basis as quickly as possible.

"The proclamation terminates Government powers under some twenty statutes immediately upon its issuance. It terminates Government powers under some thirty-three other—at a later—others at a later date, generally at the end of 6 months from the date of the proclamation. This follows as a result of provisions made by the Congress when the legislation was originally passed. In a few instances the statutes affected by the proclamation give the Government certain powers which, in my opinion, are desirable in peacetime, or for the remainder of the period of reconversion. In these instances, recommendations will be made to the Congress for additional legislation.

"It should be noted that the proclamation does not terminate the states of emergency declared by President Roosevelt on September 8, 1939, and May 27, 1941. Nor does today's action have the effect of terminating the state of war itself. It terminates merely the period of hostilities. With respect to the termination of the national emergency, and the state of war, I shall make recommendations to the Congress in the near future."

Ladies and gentlemen, I just want to wish you a Happy New Year, and hope you will enjoy it, and that we will see you again maybe about Thursday afternoon at 4 o'clock. I suppose you will be awake by then. [*Laughter*]

Q. Mr. President, can we ask you a few questions about this?

THE PRESIDENT. I don't think it's necessary. The proclamation and the laws affected will

be handed to you in mimeographed form, and I think everything will be answered that I could possibly answer, but—

Q. Just one question—

THE PRESIDENT. —I never want to refuse to answer questions, of course.

Q. —to see if it's covered in this. Does this terminate the Smith-Connally Act?

THE PRESIDENT. I think it does.

Attorney General Clark: Six months.

THE PRESIDENT. This is one of the 6-month laws.

Attorney General Clark: All covered by this law.

THE PRESIDENT. All covered by this law, which I have read, and it is hard to remember every one of those 53 laws. And I have read it two or—twice, but you will get more accurate answers out of the thing if you will just read the mimeographed—

Q. Mr. President, one more thing, because we will probably have to start dictating on our statements before we can read the mimeographed—

THE PRESIDENT. All right.

Q. This terminates the period of hostilities. It doesn't—this is not the termination of the emergency—

THE PRESIDENT. No. The emergencies are not terminated. They will have to be terminated by legislation.

Q. Is this what we have been talking about when we spoke of the formal end of the war?

THE PRESIDENT. Yes—I think it is.

Q. This was established, sir, by what—

THE PRESIDENT. By the laws themselves.

Q. As outlined in the period of hostilities?

THE PRESIDENT. Yes, most of these laws use that. They would terminate with the proclamation at the end of hostilities or 6 months after the end of hostilities. Now termination of the emergency and the termination of the war has to be made by the Congress itself—by legislation.

Q. Mr. President, would it be the formal termination of the war itself then?

THE PRESIDENT. I think Congress passes the law. I think that that is the case.

Q. Not today—not today's action?

THE PRESIDENT. Not today's action.

Q. This terminates—

THE PRESIDENT. This terminates the period of hostilities and terminates the 53 laws which are affected specifically by the Congress under that.

Q. Mr. President, is this the beginning of your cooperation with the new Congress? They have been trying to do this—they have been talking about it.

THE PRESIDENT. Well, yes—this is in cooperation with the Congress—

Q. Mr. President, will this have any effect on the combined Anglo-American Chiefs of Staff at this point?

THE PRESIDENT. No.

Q. That will be continued?

THE PRESIDENT. That goes on for 6 months at least after the issuance of this proclamation.

Q. Mr. President, is this for the duration and 6 months?

THE PRESIDENT. Duration will be at the end of 6 months, won't it? [*Laughter*]

Q. Mr. President—

Reporter: Thank you, Mr. President.

THE PRESIDENT. Let the lady ask her question.

Q. The state of war will have to be terminated by Congress, Mr. President?

THE PRESIDENT. By Congress. The emergency has to be terminated by Congress.

Happy New Year to you all!

Reporters: Happy New Year!

NOTE: President Truman's ninety-third news conference was held in his office at the White House at 10:30 a.m. on Tuesday, December 31, 1946.

273 Proclamation 2714: Cessation of Hostilities of World War II. *December 31, 1946*

By the President of the United States of America a Proclamation:

With God's help this nation and our allies, through sacrifice and devotion, courage and perseverance, wrung final and unconditional surrender from our enemies. Thereafter, we, together with the other United Nations, set about building a world in which justice shall replace force. With spirit, through faith, with a determination that there shall be no more wars of aggression calculated to enslave the peoples of the world and destroy their civilization, and with the guidance of Almighty Providence great gains have been made in translating military victory into permanent peace. Although a state of war still exists, it is at this time possible to declare, and I find it to be in the public interest to

declare, that hostilities have terminated.

Now, THEREFORE, I, HARRY S. TRUMAN, President of the United States of America, do hereby proclaim the cessation of hostilities of World War II, effective twelve o'clock noon, December 31, 1946.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the United States of America to be affixed.

DONE at the City of Washington this 31st day of December in the year of our Lord nineteen hundred and forty-six, and
[SEAL] of the Independence of the United States of America the one hundred and seventy-first.

HARRY S. TRUMAN

By the President:

JAMES F. BYRNES

The Secretary of State

Appendix A—White House Press Releases, 1946

NOTE: Includes releases covering matters with which the President was closely concerned, except announcements of Presidential personnel appointments and approvals of legislation with which there was no accompanying statement.

Releases relating to Proclamations and Executive orders have not been included. These documents are separately listed in Appendix B.

For list of Press and Radio Conferences, see subject index under "News conferences."

January

- 3 Letter to General Bradley regarding the establishment of a Department of Medicine and Surgery in the Veterans Administration
- 3 Radio report to the American people on the status of the reconversion program
- 4 Letter accepting resignation of Admiral Land as Chairman and Member, U.S. Maritime Commission, and as Administrator, War Shipping Administration
- 6 Statement by the President on the victory clothing collection for overseas relief
- 7 White House statement on Anglo-American Committee hearings on Palestine and the problems of European Jews.
- 8 Citations accompanying Distinguished Service Medal presented to Gen. Henry H. Arnold
- 8 Statement by the President on demobilization
- 9 Memorandum from General Eisenhower on the soldier demonstrations for demobilization in Manila
- 10 Statement by the President on releasing report of factfinding board on the General Motors labor dispute
- 10 Summary of report by factfinding board on General Motors dispute
- 10 Letter from Secretary Byrnes outlining proposals for an overseas information service
- 11 Citation accompanying Distinguished Service Medal presented to Gen. William J. Donovan
- 11 White House release outlining plans for construction at the White House
- 11 White House announcement of appointment of U.S. delegation to observe elections in Greece
- 12 Letter accepting resignation of Abe Fortas as Under Secretary of the Interior
- 12 Statement by the President following a White House meeting to avert a steel strike
- 14 White House statement concerning the President's recommendation of an additional repeal of authorized appropriations

January

- 15 Citation accompanying Medal for Merit presented to Byron Price
- 15 Citations accompanying Legion of Merit presented to three members of the White House Signal Detachment, U.S. Army
- 16 Letter accepting resignation of H. Struve Hensel as Assistant Secretary of the Navy
- 18 Letter accepting resignation of Stuart Symington as Surplus Property Administrator
- 18 Statement by the President following rejection of his compromise offer by the U.S. Steel Corporation
- 18 White House statement: Chronology of the steel wage talks at the White House
- 18 Letter from Philip Murray accepting the President's proposal for settlement of the steel wage dispute
- 18 Memorandum for the press correcting printed copies of State of the Union and Budget Messages
- 21 Message to the Congress on the State of the Union and on the Budget for 1947
- 22 Directive on coordination of foreign intelligence activities
- 22 Special message to the Senate transmitting protocol extending the Inter-American Coffee Agreement
- 22 Special message to the Congress transmitting report in connection with the Foreign Service retirement and disability system
- 22 Letter to the chairman and members of the President's Steel Fact Finding Board
- 24 Statement by the President on the resignation of Judge Rosenman as Special Counsel to the President
- 24 Citation accompanying Medal for Merit presented to Samuel I. Rosenman
- 24 Memorandum of press conference remarks on construction at the White House
- 24 Letter accepting resignation of Daniel W. Tracy as Assistant Secretary of Labor

Appendix A

January

- 25 Letter accepting resignation of Isador Lubin as Commissioner of Labor Statistics
- 25 Message to the Senate transmitting protocol extending International Sugar Agreement
- 25 White House announcement of deferral of repatriation of German contract prisoners of war
- 25 White House announcement of U.S. naval visit to Rio de Janeiro for inauguration of President Dutra of Brazil
- 25 Directive concerning the shipment of wheat and coal to liberated countries
- 26 Directive from Director of War Mobilization and Reconversion delegating authority to Housing Expediter
- 26 Statement by the President announcing agreement to arbitrate the railway labor dispute
- 30 Special message to the Congress transmitting financial agreement with the United Kingdom
- 30 Radio remarks on behalf of the March of Dimes Campaign
- 31 Letter accepting resignation of John B. Blandford, Jr., as Administrator, National Housing Agency

February

- 2 Letter to Senator McMahon concerning a bill for domestic development and control of atomic energy
- 5 White House statement concerning order returning civil service system to peacetime basis
- 6 Statement by the President announcing emergency measures to relieve the world food shortage
- 7 Letter from the Dean of Canterbury Cathedral denying disparaging statement regarding U.S.
- 7 White House summary of figures on world food crisis cited by the President at his news conference
- 7 White House announcement of appointment of Richard Redwood as executive chairman, Army and Navy Munitions Board
- 7 Statement by the President upon disapproving a bill of the Philippine Congress
- 7 Letter to President Osmena of the Philippine Commonwealth
- 7 Letter from the U.S. High Commissioner to the Philippines
- 8 White House announcement of cancellation of the President's trip to Florida
- 8 Statement by the President on the Veterans' Emergency Housing Program
- 9 Telegram from Executive Vice President, National Public Housing Conference, endorsing the Veterans' Emergency Housing Program
- 9 Letter to the Housing Expediter from Fred Bailey of the National Grange

February

- 9 Letter from the President, AFL, and the Chairman, Housing Committee, AFL, pledging labor support of emergency housing program
- 9 Remarks to heads of agencies and personnel directors on reconversion of the Civil Service
- 11 Statement by the President marking the bicentennial of the birth of Thaddeus Kosciusko
- 11 Letter accepting resignation of Dr. Carter Goodrich as U.S. representative on the governing body of the International Labor Office
- 14 Letter accepting resignation of Averell Harriman as ambassador to the Soviet Union
- 14 Statement by the President concerning reestablishment of the Office of Economic Stabilization
- 14 Statement by the President upon issuing order modifying the wage-price policy
- 18 Statement by the Stabilization Administrator on issuing order increasing steel prices
- 19 White House announcement concerning civilian relief in Germany
- 20 Statement by the President concerning provisions in bill affecting Philippine Army veterans
- 20 Statement by the President upon signing the Employment Act
- 20 Veto of bill for the relief of Charles R. Hooper (Congressional Record, vol. 92, p. 9059)
- 21 Statement by the President urging continuation of the victory garden program
- 25 Remarks to a delegation from the United Jewish Appeal
- 26 Statement by the President on the agreement reached at the Civil Aviation Conference in Bermuda
- 27 Telegram to leading citizens concerning the need for a voluntary food conservation program
- 28 Statement by the President recommending a nationwide voluntary "Share-the-Housing" program
- 28 White House release accompanying final report of steel factfinding board

March

- 1 Special message to the Congress transmitting a statement on foreign loan policy
- 1 Message to the Congress transmitting laws enacted by the First Philippine Congress
- 1 Letter to the Speaker of the House of Representatives concerning measures to stimulate veterans housing construction
- 1 Remarks to members of the conference called to develop a food conservation program
- 1 Radio remarks opening the Red Cross War Fund Drive

Appendix A

March

- 4 White House release of resolution by Advisory Board, Office of War Mobilization and Reconversion, endorsing the British loan agreement
- 4 Statement by the President upon receiving a resolution endorsing the British loan agreement
- 6 Address in Columbus at a conference of the Federal Council of Churches
- 8 Veto of bill for relief of Harold B. Alden and Walter E. Stroh (Congressional Record, vol. 92, p. 2060)
- 8 Citation accompanying the Medal for Merit presented to John J. Pelley
- 8 Citation accompanying the Medal for Merit presented to J. Edgar Hoover
- 8 Citation accompanying the Medal for Merit presented to John Monroe Johnson
- 8 White House statement concerning Navy budget for fiscal 1947
- 12 White House announcement concerning the establishment of a national military museum
- 12 White House statement concerning the President's Highway Safety Conference
- 12 Letter to Senator O'Mahoney transmitting a proposed wool price support program
- 12 Telegram to leading citizens requesting them to serve on a National Famine Emergency Council
- 13 Letter to Edwin W. Pauley consenting to the withdrawal of his nomination
- 14 Letter to Owen D. Young approving the cancellation of the Congressional Awards Dinner
- 14 Statement by the President concerning the re-employment of veterans
- 16 Statement by the President upon receiving reports concerning enemy collaborators in the Philippines
- 18 Exchange of messages with President Beirut of Poland concerning grain shipments by UNRRA
- 19 Special message to the Congress transmitting report concerning the United Nations
- 21 Letter accepting resignation of Sumner T. Pike from Securities and Exchange Commission
- 23 Address at the Jackson Day Dinner
- 25 Letter to Herbert H. Lehman upon his resignation as Director General of UNRRA
- 27 Report of Emergency Board appointed from National Railway Labor Panel
- 27 Remarks on presenting the Congressional Medal of Honor to Commander Richard H. O'Kane, USN, and Master Sergeant Charles L. McGaha, USA
- 27 White House announcement of U.S. Delegation to Third Conference of American States Members of International Labor Organization

March

- 28 Telegram from the President, Merchant Tailors and Designers Association of America

April

- 1 Letter to Secretary Anderson concerning Food and Agriculture Organization of the United Nations
- 3 Statement by the President upon releasing report of the Director of War Mobilization and Reconversion
- 4 Citation by Secretary Forrestal awarded to Commander Clark M. Clifford, Naval Aide to the President
- 4 Statement by the President concerning benefits for Philippine Army veterans
- 4 White House announcement, appointment of Howard Bruce to study and recommend measures for disposal of surplus war property
- 5 Message to the Congress transmitting names of retired Government personnel tendered foreign decorations
- 5 Message to the Congress transmitting the annual report of the Civil Service Commission
- 5 Letter accepting resignation of J. B. Hutson as Under Secretary of Agriculture
- 6 Address in Chicago on Army Day
- 8 Message from President Ismet Inonu of Turkey
- 8 White House announcement of emergency board report in railroad labor dispute
- 10 White House announcement extending suspension of Easter Monday egg rolling
- 10 Statement by the President upon signing order terminating the Office of Inter-American Affairs
- 11 Statement by the President announcing revised budget estimates
- 11 Letter accepting resignation of Wallace K. Harrison as Director of Inter-American Affairs
- 11 Remarks upon presenting Colliers Congressional Awards to Senator Vandenberg and Representative Monroney
- 11 White House release of statement by Allied Mission To Observe the Greek Elections
- 11 Statement by the President concerning anti-poll tax legislation
- 12 Address at the dedication of the home of Franklin D. Roosevelt as a national shrine
- 12 Statement by the President concerning preparations for nuclear tests in the Pacific
- 15 Address before the Governing Board of the Pan American Union
- 15 Message to the Congress transmitting report of National Capital Housing Authority

Appendix A

April

- 18 Telegram to Herbert Hoover, Honorary Chairman, Famine Emergency Committee
- 18 White House statement on recommendations of emergency board in railroad labor dispute
- 19 Radio appeal to the Nation for food conservation to relieve hunger abroad
- 19 Radio address by Fiorello H. La Guardia, Director General of UNRRA, on the world food crisis
- 19 Radio address from Cairo by Herbert Hoover, Honorary Chairman of the Famine Emergency Committee
- 19 Radio address by Secretary of Agriculture Anderson on the world food crisis
- 21 Federal Trade Commission summary report: "Waste in the Distribution of Bread"
- 22 Special message to the Senate transmitting a fisheries convention between the United States and Canada
- 25 Letter to the U.S. Chairman, Anglo-American Committee of Inquiry on Palestine
- 26 Message to the Congress transmitting the annual report of the Panama Railroad Company
- 26 Veto of Bill for the relief of Mrs. Henry H. Hay (Congressional Record, vol. 92, p. 4162)
- 26 Veto of bill for the relief of Maj. Edward A. Zaj (Congressional Record, vol. 92, p. 4260)
- 26 Veto of bill for the relief of Dave Topper (Congressional Record, vol. 92, p. 4261)
- 26 Veto of bill for the relief of Mary G. Paul (Congressional Record, vol. 92, p. 4261)
- 26 Veto of bill for the relief of Lt. Col. John P. Maher (Congressional Record, vol. 92, p. 4259)
- 29 Veto of bill for the relief of Thomas C. Locke (Congressional Record, vol. 92, p. 4178)
- 29 White House statement concerning release of meat packing plants from Government control
- 30 Statement by the President upon signing bills providing for Philippine rehabilitation and trade
- 30 Letter to Senator Murray concerning a bill for a national health program
- 30 Statement by the President on receiving report of the Anglo-American Committee of Inquiry

May

- 1 Citation accompanying the Medal for Merit awarded to Julius A. Krug
- 2 Message to the Congress transmitting Corporation Supplement to the Budget for 1947
- 3 Statement by the President on the forthcoming National Highway Safety Conference
- 3 Statement by the President concerning plans for development of California's water resources

May

- 3 Statement by the President upon signing the Veterans' Priority Bill for Surplus Property
- 3 Letter from Zionist leaders endorsing transfer of displaced European Jews to Palestine
- 3 White House statement concerning controls over the price and distribution of meat
- 3 Statement by the President upon reappointing Myron Taylor as his personal representative at the Vatican
- 3 Letter to Secretary Krug concerning termination of the Petroleum Administration for War
- 4 Letter accepting resignation of Harry D. White as Assistant Secretary of the Treasury
- 4 White House release of OWMR report: Impact of Coal Strike on Reconversion
- 6 White House release concerning 1947 appropriations for War Department
- 6 Special message to the Congress transmitting bill for inter-American military cooperation
- 6 Letter accepting resignation of Lt. Col. J. V. Hodgson from the United Nations War Crimes Commission
- 6 Letter accepting resignation of Gerald B. Brophy from the Provisional International Civil Aviation Organization
- 7 Citation accompanying the Distinguished Service Medal awarded to Maj. Gen. Philip B. Fleming
- 7 Citation accompanying the Legion of Merit awarded to Maj. Gen. Ulysses S. Grant III
- 7 Statement by the President commending CARE
- 7 Message from President-elect Roxas of the Philippines
- 8 Address before the President's Highway Safety Conference
- 8 Statement by the President on the anniversary of V-E Day
- 8 White House announcement of British mission to discuss the world food crisis
- 8 Joint statement with the Prime Ministers of Great Britain and Canada concerning the Combined Food Board
- 9 Veto of bill to establish an Army Optometry Corps
- 10 Statement by the President upon meeting the President-elect of the Philippines
- 10 White House announcement of report by the Allied Mission To Observe the Greek Elections
- 11 Address at Fordham University, New York City, upon receiving an honorary degree
- 13 Message to the Congress transmitting 1942 Annual Report of the Governor of the Panama Canal

Appendix A

May

- 13 Citation accompanying the Medal for Merit awarded to William D. Pawley
- 14 Message to the Congress transmitting a report by the Civilian Production Administration
- 15 Letter accepting resignation of L. Welch Pogue as Chairman of the Civil Aeronautics Board
- 15 Letter accepting resignation of Capt. Edward Macauley from the United States Maritime Commission
- 16 Statement by the President announcing breakdown in coal strike negotiations
- 16 Statement by the President upon disapproving bills of the legislature of Puerto Rico
- 16 Statement by the President upon signing the Draft Extension Act
- 16 Special message to the Congress transmitting Reorganization Plan 1 of 1946
- 16 Special message to the Congress transmitting Reorganization Plan 2 of 1946
- 16 Special message to the Congress transmitting Reorganization Plan 3 of 1946
- 17 Statement by the President upon issuing order directing possession and operation of the railroads
- 18 Letter to the President of the Senate and to the Speaker of the House transmitting bill on Philippine veterans' benefits
- 20 Message to the Congress transmitting 1943 Annual Report of the Governor of the Panama Canal
- 22 Letter accepting resignation of Herbert Wechsler as Assistant Attorney General
- 22 Letter to the Director of War Mobilization and Reconversion concerning the establishment of U.N. headquarters
- 23 White House release concerning a proposed Committee on Voluntary Foreign Aid
- 23 White House announcement of Latin American visit by President Hoover to discuss world food crisis
- 24 Radio address to the American people on the railroad strike emergency
- 25 Special message to the Congress urging legislation for industrial peace
- 29 Special message to the Senate transmitting protocols to International Sanitary Conventions
- 29 White House announcement of U.S. delegation to International Labor Conference
- 31 Letter from Edward R. Stettinius, Jr., submitting his resignation as U.S. representative to the United Nations

June

- 3 Veto of bill for the relief of Leo Stuhr (Congressional Record, vol. 92, p. 6112)
- 3 Veto of bill concerning claim of Saunders Memorial Hospital (Congressional Record, vol. 92, p. 6111)
- 3 Letter accepting resignation of Edward R. Stettinius as U.S. representative to the United Nations
- 4 Statement by the President upon signing the National School Lunch Act
- 4 Veto of bill for the relief of Ferris Ruggles (Congressional Record, vol. 92, p. 6189)
- 4 Letter from President-elect Roxas concerning Filipino veterans' benefits
- 5 Letter accepting resignation of Wallace Murray as Ambassador to Iran
- 5 White House statement concerning the negotiations to avert a maritime strike
- 7 White House announcement of resignation of Rear Adm. Sidney W. Souers, USNR, as Director of Central Intelligence
- 10 White House statement concerning the President's recommendation of an additional repeal of authorized appropriations
- 11 Veto of the Case bill
- 11 Statement by the President upon appointing a Cabinet Committee on Palestine and Related Problems
- 11 Special message to the Senate transmitting a protocol to the tax convention with the United Kingdom
- 11 Special message to the Senate urging ratification of the International Convention on Civil Aviation
- 12 Letter accepting resignation of Randolph Paul as Special Assistant for negotiations on German assets in Switzerland
- 13 Special message to the Congress transmitting letter and report on the District of Columbia Juvenile Court
- 13 Message to the Congress transmitting 1944 and 1945 reports of the Governor of the Panama Canal
- 14 Veto of bill to promote former prisoners of war in the Navy, Marine Corps, and Coast Guard
- 14 Letter accepting resignation of Gerard D. Reilly from National Labor Relations Board
- 15 Letter accepting resignation of Eugene Meyer from the Famine Emergency Committee
- 15 Letter to the Chairmen, Congressional Committees on Military and Naval Affairs on unification of the Armed Forces
- 15 Joint report by the Secretaries of War and Navy on unification of the Armed Forces
- 15 Letter to the Secretaries of War and Navy on unification of the Armed Forces

Appendix A

June

- 17 Veto of bill for the relief of Charles B. Borell (Congressional Record, vol. 92, p. 7006)
- 17 Veto of bill for the relief of John G. Johnson (Congressional Record, vol. 92, p. 7006)
- 17 Message to the Congress transmitting the annual report of the Alien Property Custodian
- 18 Letter to the Director, Bureau of the Budget, concerning integration of Federal medical services
- 18 Letter from the Chairman, Committee on Integration of the Medical Services of the Government
- 18 Report of Committee on Integration of the Medical Services of the Government
- 18 Letter from Secretary Patterson on unification of the Armed Forces
- 19 Letter accepting resignation of Harold D. Smith as Director of the Bureau of the Budget
- 20 Letter accepting resignation of Philip M. Klutznick as Federal Housing Commissioner
- 24 Letter accepting resignation of Ganson Purcell as Chairman, Securities and Exchange Commission
- 26 Letter from Secretary Forrester on unification of the Armed Forces
- 26 Statement by the President upon appointing the Committee for Financing Foreign Trade
- 27 Statement by the President on making public a progress report on famine relief
- 27 Report by Secretary Snyder on food grain shipments abroad
- 28 Letter from Director of Liquidation transmitting his report
- 28 Report of the Director of Liquidation
- 28 Letter to the Director, Bureau of the Budget, concerning termination of the Office of the Director of Liquidation
- 28 Letter to the President, Civil Service Commission, concerning employees of liquidated agencies
- 28 Letter accepting resignation of R. L. McKeever as Director of Liquidation
- 28 Letter commending the Federal Communications Commission
- 28 Letter from the Wage Stabilization Board concerning proposed modification of wage and price control legislation
- 28 Letter accepting resignation of Chester Bowles as Director of Economic Stabilization
- 29 Joint statement with the Prime Ministers of Great Britain and Canada announcing creation of the International Emergency Food Council
- 29 Veto of bill providing for exchange of property within Glacier National Park

June

- 29 Message to the Congress transmitting annual report of the Railroad Retirement Board
- 29 Veto of bill relating to claims against the United States by certain Indian tribes
- 29 Veto of bill for the relief of Lawrence Portland Cement Co. (Congressional Record, vol. 92, p. 7998)
- 29 Letter accepting resignation of Lt. Gen. E. B. Gregory as War Assets Administrator
- 29 Veto of bill for the relief of J. B. McCrary Co., Inc. (Congressional Record, vol. 92, p. 7998)
- 29 Veto of the price control bill
- 29 Radio address to the Nation on price controls
- 30 Letter accepting resignation of the chairman and members of the Fair Employment Practice Committee
- 30 Letter from the Fair Employment Practice Committee transmitting final report of wartime activities
- 30 Summary and conclusions from final report of Fair Employment Practice Committee

July

- 1 Special message to the Senate transmitting a protocol relating to the Food and Agriculture Organization of the U.N.
- 1 Military order releasing Philippine forces from U.S. service
- 2 White House statement on the President's meeting with leaders of the Jewish Agency for Palestine
- 2 Letter to the Chairman, Wage Stabilization Board, requesting the members and staff to remain at their posts
- 3 Letter accepting resignation of O. Max Gardner as Chairman of the Advisory Board on War Mobilization and Reconversion
- 3 Letter accepting resignation of Chester C. Davis from Advisory Board on War Mobilization and Reconversion
- 3 Special message to the Congress upon approving the Hobbs bill
- 3 Statement by the President on the independence of the Philippines
- 3 Recorded message to the people of the Philippines upon the occasion of their independence
- 8 Letter to the President, American Theatres Association, concerning Government informational films
- 9 White House announcement of the raising of the U.S. and Australian legations to the rank of embassies

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- 9 White House release of statement by Chairman of the President's Committee for Financing Foreign Trade
- 10 Statement by the President upon the death of Sidney Hillman
- 10 Letter accepting resignation of Harold Judson as Assistant Solicitor General
- 11 White House announcement of appointment of Maj. Gen. Harry Vaughan as Coordinator of Veterans' Affairs
- 11 Remarks to the members of the Conference on Emergency Problems in Higher Education
- 11 Preliminary report by Joint Chiefs of Staff's Evaluation Board on the first Bikini atom bomb test
- 11 Preliminary report by the President's Evaluation Commission on the first Bikini atom bomb test
- 11 Statement by the President summarizing reconversion progress
- 12 Statement by the President upon releasing report on famine relief food shipments
- 13 White House statement concerning appointment of National Commission on Higher Education
- 13 Letter appointing members to the National Commission on Higher Education
- 14 Recorded message to the President and people of France on Bastille Day
- 15 Remarks to the members of the Youth Conference on Famine Relief
- 15 Statement by the President following approval of the Financial Agreement with Great Britain
- 15 Remarks upon presenting a citation to a Nisei regiment
- 16 Remarks upon presenting Presidential unit citations to eight aircraft carriers
- 16 Veto of bill concerning claim of Patuxent Development Co., Inc. (Congressional Record, vol. 92, p. 9066)
- 18 Special message to the Senate transmitting nominations of U.S. delegation to U.N. General Assembly
- 19 Special message to the Senate transmitting a protocol to the international whaling agreement
- 22 White House text of Commerce Department statement on price increases following lapse of OPA
- 23 Statement by the President upon signing the Strategic and Critical Materials Stockpiling Act
- 23 Statement by the President condemning acts of terrorism in Palestine
- 24 Statement by the President upon approving bills for river and harbor improvement and for flood control

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- 24 White House announcement of appropriations request for Armed Forces terminal leave payments
- 25 Letters to Congressional leaders urging enactment of the housing bill
- 25 Special message to the Congress upon signing the second price control bill
- 26 Special message to the Congress transmitting a recommendation of the International Labor Organization
- 26 Letter to the National Commander, Veterans of Foreign Wars, on representation of veterans at the Peace Conference
- 27 Veto of bill for the relief of Leonard J. and Milford G. Fox (Congressional Record, vol. 92, p. 10326)
- 27 Veto of bill for the relief of Herbert W. Rogers (Congressional Record, vol. 92, p. 10326)
- 27 Letter to the National Commander, American Legion, on rehabilitation problems
- 29 Veto of bill for payment of accrued annual leave to Rosella J. Masters (Congressional Record, vol. 92, p. 10400)
- 29 Veto of bill for the relief of Ruth Lois Cummings (Congressional Record, vol. 92, p. 10400)
- 29 Statement by the President upon nominating Edwin G. Nourse as a member of the Council of Economic Advisers
- 30 Statement by the President concerning U.S. membership in UNESCO
- 30 Special message to the Senate transmitting a treaty and protocol with the Philippines
- 31 Letter accepting resignation of Alexander C. Kirk as Ambassador to Italy
- 31 White House statement on the negotiations in London on Palestine
- 31 Veto of bill for the relief of the S. G. Leoffler Operating Co. (Congressional Record, vol. 92, p. 10570)

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- 1 Memorandum on the need for reducing expenditures
- 1 Veto of bill granting veteran status to certain former members of revenue cutter crews
- 1 Veto of bill for the relief of Cox Brothers (Congressional Record, vol. 92, p. 10659)
- 1 Veto of bill concerning title to offshore lands
- 2 Veto of bill for the relief of Ensign and Mrs. Joseph Lanser (Congressional Record, vol. 92, p. 10745)
- 2 Veto of bill for the relief of Elizabeth J. Patterson and others (Congressional Record, vol. 92, p. 10746)

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- 2 Veto of bill to authorize exchange of public lands by the Secretary of the Interior
- 2 Report by the President's Evaluation Commission on the second Bikini atom bomb test
- 2 Report by the Joint Chiefs of Staff's Evaluation Board on the atomic bomb test
- 2 Statement by the President upon signing the Legislative Reorganization Act
- 3 Statement by the President on review of 1947 Budget
- 3 Letters to the heads of several departments and agencies calling for reductions in expenditures for national defense
- 3 Letters calling for reductions in expenditures for construction
- 7 Statement by the President concerning the coinage of commemorative half-dollars
- 8 Memorandum of disapproval of bill for the relief of Lester A. Dessez (Congressional Record, vol. 92, p. 10742)
- 8 Memorandum of disapproval of bill relating to construction of a Weather Bureau station in Michigan
- 8 Memorandum of disapproval of bill for the relief of the Southern Sand and Gravel Company (Congressional Record, vol. 92, p. 10789)
- 8 White House announcement of emergency board report on airline labor dispute
- 9 Letter accepting resignation of Lucille F. McMillin from Civil Service Commission
- 9 Memorandum of disapproval of bill for the relief of Margaret Dunn (Congressional Record, vol. 92, p. 10790)
- 9 Memorandum of disapproval of bill for the relief of Edward Pittwood (Congressional Record, vol. 92, p. 10790)
- 9 Memorandum of disapproval of bill for the relief of Norman Abbott (Congressional Record, vol. 92, p. 10790)
- 9 Memorandum of disapproval of bill relating to a claim by William S. Brown (Congressional Record, vol. 92, p. 10742)
- 9 Remarks to delegates of Boys Nation
- 9 Statement by the Chairman, Council of Economic Advisers
- 10 Memorandum of disapproval of bill for the relief of the Eastern Contracting Co. (Congressional Record, vol. 92, p. 10791)
- 10 Memorandum of disapproval of bill to create a Theodore Roosevelt National Park in Medora, North Dakota
- 10 Memorandum of disapproval of bill for the relief of the Trust Association of H. Kempner (Congressional Record, vol. 92, p. 10741)

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- 10 Statement by the President marking the centennial of the Smithsonian Institution
- 12 Memorandum of disapproval of bill for the relief of Thaddeus C. Knight (Congressional Record, vol. 92, p. 10742)
- 13 Statement by the President upon signing the Foreign Service Act
- 13 Statement by the President upon signing the Hospital Survey and Construction Act
- 13 Statement by the President upon signing bill creating Indian Claims Commission
- 13 Memorandum of disapproval of bill relating to claims of Algernon Blair
- 13 Memorandum of disapproval of bill to authorize financial readjustments by debtor railroad corporations
- 14 Statement by the President upon approving bill to expand basic research in agricultural problems
- 14 Statement by the President upon approving bill relating to farm credit and ownership
- 14 Memorandum of disapproval of bill reducing Federal savings and loan insurance premiums
- 14 Memorandum of disapproval of bill authorizing certain activities of the Bureau of Reclamation
- 15 Letter from the Commissioner of Immigration and Naturalization concerning admission of displaced persons
- 15 Statement by the President: The Jewish New Year
- 16 Memorandum of disapproval of bill to abolish the Parker River National Wildlife Refuge
- 16 White House statement on Palestine and on the problem of displaced persons in general
- 16 White House announcement, appointment of Dillard B. Lasseter as Administrator, Farmers Home Administration
- 31 Statement by the President: Labor Day

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- 4 Letter to the Chairman, American Veterans Committee, concerning discrimination on the campus
- 5 White House announcement of appointments to Philadelphia National Shrines Park Commission
- 6 White House announcement of indefinite postponement of third atomic bomb test
- 12 Statement by the President on employment of disabled veterans and other handicapped persons
- 14 Statement by the President clarifying an answer given at news conference of September 12
- 19 White House announcement of appointment of Roger L. Putnam as Director of Contract Settlement

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- 20 Statement by the President announcing the resignation of Secretary Wallace
- 21 Statement by the President concerning the National Wage Stabilization Board
- 23 Statement by Averell Harriman accepting the post of Secretary of Commerce
- 24 Remarks to a group of Democratic Congressional candidates at the White House
- 25 Remarks to members of the U.S. National Commission for UNESCO
- 26 Statement by the President concerning the meat shortage
- 28 Remarks to the Cadet Corps at West Point

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- 1 Radio address opening the annual campaigns for the Community Chest and United Service Organizations
- 3 Statement by the President summarizing a report by the Director of Reconversion
- 4 Statement by the President following the adjournment of the Palestine Conference in London
- 4 Letter accepting resignation of James P. McGranery as the Assistant to the Attorney General
- 8 Letter to Representative Pittenger of Minnesota concerning coal supplies in the Midwest
- 10 Letter accepting resignation of Harold M. Stephens as Joint Chairman, British-American Patent Interchange Committee
- 12 Letter accepting resignation of Judge John J. Parker as alternate member of the International Military Tribunal
- 14 Letter to James E. Markham upon the conclusion of his duties as Alien Property Custodian
- 14 Radio report to the Nation announcing the lifting of major price controls
- 15 Letter from Justice Robert H. Jackson upon concluding his duties with the Nürnberg Tribunal
- 17 Letter to Justice Jackson upon the conclusion of his duties with the Nürnberg Tribunal
- 17 Statement by the President upon signing order establishing the President's Scientific Research Board
- 22 Statement by the President concerning the national school lunch program
- 23 Address in New York City at the opening session of the United Nations General Assembly
- 24 Statement by the President concerning limitations on military and public works expenditures
- 24 Statement by the President concerning the Estonian refugees in Florida

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- 25 Letter accepting resignation of J. Howard McGrath as Solicitor General
- 25 White House statement approving leave for Federal employees on election days
- 26 Letter to the Governor of Puerto Rico disapproving a bill passed by the territorial legislature
- 28 Message to the King of Saudi Arabia concerning Palestine
- 28 Statement by the President on appointing the chairman and members of the Atomic Energy Commission
- 28 Letter to David Lilienthal on his appointment as Chairman, Atomic Energy Commission
- 28 Statement by the President upon appointing Gordon R. Clapp as Chairman, Tennessee Valley Authority
- 29 Statement by newly-appointed members of the Atomic Energy Commission
- 29 Statement by the President commemorating the founding of the Czechoslovak Republic

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- 2 Statement by the President on the status of the 48 Estonian refugees
- 6 Statement by the President concerning the Japanese Mandated Islands
- 9 Statement by the President on the forthcoming international conference on tariffs and trade
- 9 Statement by the President upon terminating price and wage controls
- 11 Statement by the President on the election of a Republican Congress
- 12 Letter to Francis Biddle in response to his report on the Nürnberg Tribunal
- 14 Letter from the Price Decontrol Board concerning termination of operations
- 15 Statement by the President endorsing a plan for negotiations between coal miners and operators
- 21 Letter accepting resignation of Paul H. Appleby as Assistant Director, Bureau of the Budget
- 23 Statement by the President concerning Myron Taylor's mission in Rome
- 27 Citation accompanying the Medal for Merit awarded Paul V. McNutt
- 29 White House announcement, removal of certain restrictions on domestic use of grain
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- 29 White House announcement, appointment of William C. Foster as Under Secretary of Commerce
- 29 Letter accepting resignation of Paul Porter as Price Administrator
- 29 Letter accepting resignation of Alfred Schindler as Under Secretary of Commerce

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- 4 Statement by the President on the Veterans' Emergency Housing Program
- 4 Letter accepting resignation of Wilson Wyatt as Housing Expediter
- 5 Letter accepting resignation of J. D. Small as Civilian Production Administrator
- 7 Message of condolence to King George II upon the death of the Greek Ambassador
- 10 Letter from the Chairman, Pan American Union, in response to the President's letter upon the death of the Director General
- 10 White House announcement, reappointment of Basil O'Connor as National Chairman and Central Committee Chairman, American Red Cross
- 12 Statement by the President upon appointing a committee of scientists to advise the Atomic Energy Commission
- 12 Statement by the President upon appointing John R. Steelman as Special Assistant and upon establishing the Office of Temporary Controls

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- 14 Statement by the President outlining the housing program for 1947
- 17 Letter to Granville Conway asking him to serve as Coordinator of Emergency Export Programs
- 18 Statement by the President: United States policy toward China
- 18 First report to the President by the Council of Economic Advisers
- 19 Statement by the President concerning the transportation of refugees to the United States
- 19 White House announcement, appointment of Advisory Commission on Universal Military Training
- 20 Remarks to the President's Advisory Commission on Universal Training
- 23 Letter accepting resignation of Edwin A. Locke, Jr., as Special Assistant to the President
- 23 Statement by the President upon signing order creating an Amnesty Board to review convictions under the Selective Service Act
- 24 Address at the lighting of the National Community Christmas Tree on the White House Grounds
- 27 Letter accepting resignation of George E. Allen from the Reconstruction Finance Corporation
- 31 Statement by the President upon issuing proclamation terminating the period of hostilities of World War II

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2678	Dec. 29	Alien enemies, revoking Proclamation 2537 of January 14, 1942, prescribing regulations relating to the control of	221
	1946		
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2680	Mar. 12	"I Am An American Day"	2623
2681	Mar. 12	Great Sand Dunes National Monument, Colorado; redefining the area of	2623
2682	Mar. 20	Army Day	2963
2683	Mar. 25	Cancer Control Month	3185
2684	Mar. 28	Pan American Week	3389
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2686	Apr. 13	Child Health Day	4223
2687	Apr. 13	National Maritime Day	4223
2688	Apr. 23	Death of Harlan Fiske Stone	4597
2689	Apr. 27	Mother's Day	4719
2690	Apr. 27	National Farm Safety Week	4719
2691	May 8	Hawaiian, Cristobal, Gulf of Panama, San Francisco, Columbia River, Puget Sound, Southeastern Alaska, Prince William Sound, Kodiak, Unalaska, Los Angeles, and San Diego Maritime Control Areas; discontinuance	5209
2692	May 29	Flag Day	5893
2693	June 27	Philippine Islands, copra and coconut oil, suspension of additional processing tax	7255
2694	July 3	Philippine Islands, designation of properties suitable for diplomatic and consular establishments of the United States	7515
2695	July 4	Philippine Islands, independence	7517
2696	July 4	Philippine Islands, immigration quota	7517
2697	July 12	Army Air Force Day	7737
2698	Aug. 2	Victory Day	8481
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2700	Sept. 3	Fire Prevention Week	9729
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2702	Sept. 9	Deschutes National Forest, Oregon; enlarging	10105, 12923
2703	Sept. 12	National Employ the Physically Handicapped Week	10387
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2710	Oct. 28	Armistice Day	12779
2711	Oct. 30	Dedication Day	12839
2712	Dec. 3	Amending Proclamation 2599 of November 4, 1943, Entitled "Merchandise in General-Order and Bonded Warehouses"	14133
2713	Dec. 9	Bill of Rights Day	14221

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9667	Dec. 28	Vessels, harbors, ports, and waterfront facilities; directing the Secretary of the Navy to take action necessary to protect; revocation of Executive Order 9074 of February 25, 1942	4
9668	Dec. 28	Civil Service rules; amending subdivision III of schedule A	4
9669	Dec. 28	Iran; transfer of air-navigation facilities and functions from the War Department to the Administrator of Civil Aeronautics	4
9670	Dec. 28	Tennessee National Wildlife Refuge, establishment	4
9671	Dec. 29	Territory of Hawaii; restoration of certain lands	55
9672	Dec. 31	National Wage Stabilization Board; establishment, and termination of the National War Labor Board	221
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9673	Jan. 3	Civilian Production Administration, transfer of certain production research and development functions to Department of Commerce	224
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9676	Jan. 14	Non-necessity certificate, terminal date for filing application under section 124 (d) of Internal Revenue Code	627
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9788	Oct. 14	Office of Alien Property Custodian terminated; transferring its functions to the Attorney General	11981, 12123
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9790	Oct. 14	Amending Executive Order 7926 of July 7, 1938, establishing the Wheeler Migratory Waterfowl Refuge	12121
9791	Oct. 17	Establishing the President's Scientific Research Board and providing for a study of scientific research and development activities	12277
9792	Oct. 23	Amending Executive Order 9492, as amended, prescribing regulations governing nonmilitary and nonnaval transportation on Army and Navy air transports	12499
9793	Oct. 25	Atlanta and St. Andrews Bay Railway Company and other carriers and certain of their employees; creating an emergency board to investigate dispute	12695
9794	Oct. 26	Solicitor of the Department of the Interior designated to act as Under Secretary or Assistant Secretary of the Interior	12697
9795	Oct. 26	Territory of Hawaii, restoring certain lands to the jurisdiction	12697
9796	Oct. 31	Amendment of Executive Order 9761 of July 23, 1946, providing for the preservation and display of enemy flags captured by the Navy and Coast Guard	12923
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9798	Nov. 6	Barre & Chelsea Railroad Company and the St. Johnsbury & Lake Champlain Railroad Company and certain of their employees; creating an emergency board to investigate dispute	13297
9799	Nov. 8	Secretary of State authorized to exercise the authority of the President to classify positions occupied by chiefs of mission	13435
9800	Nov. 8	Hoffman, Mrs. Mary L., authorizing the appointment to a civilian position at the Naval Powder Factory, Indian Head, Maryland, without compliance with the Civil Service rules	13435
9801	Nov. 9	Removing wage and salary controls adopted pursuant to the Stabilization Act of 1942.	13435
9802	Nov. 12	Terminal date for filing application for payment certificate under section 124 (h) of the Internal Revenue Code	13457
9803	Nov. 16	Lehigh Valley Railroad Company and certain of its employees; creating an emergency board to investigate the dispute	13565

Appendix B

<i>No.</i>	<i>Date</i>	<i>Subject</i>	<i>II F.R. page</i>
	1946		
9804	Nov. 21	Employees of the Alaska Railroad, revoking Executive Orders 2463 of September 29, 1916, and 4182 of March 24, 1925, relating to administration of the Employees' Compensation Act with respect thereto; and placing the administration of that act as to such employees in the Federal Security Agency	13775
9805	Nov. 25	Travel and transportation expenses of civilian officers and employees of the United States when transferred from one official station to another for permanent duty; regulations governing payment	13823
9806	Nov. 25	The President's Temporary Commission on Employee Loyalty established	13863
9807	Nov. 29	Civil Service Commission authorized to confer a competitive Civil Service status upon certain groups of employees	13943
9808	Dec. 5	The President's Committee on Civil Rights established	14153
9809	Dec. 12	Certain war agencies, providing for the disposition	14281
9810	Dec. 12	Federal employees excused from duty one-half day on December 24, 1946	14303
9811	Dec. 17	Indian Lands, extension of trust periods expiring during the calendar year 1947 . .	14483
9812	Dec. 19	Inspection of income, excess-profits, and declared value excess-profits tax returns by the Committee on Naval Affairs, House of Representatives	14583
9813	Dec. 20	Appointment of the members and the alternate member of a military tribunal established for the trial and punishment of major war criminals in Germany . . .	14607
9814	Dec. 23	Amnesty Board established to review convictions of persons under the Selective Training and Service Act of 1940 and to make recommendations for Executive clemency with respect thereto	14645
9815	Dec. 23	Section 7 of Executive Order 9691 of February 4, 1946, entitled "Directing the Civil Service Commission to resume operations under the Civil Service Rules, and authorizing the adoption of special regulations during the transitional period." amended	14661

PRESIDENTIAL DOCUMENTS OTHER THAN PROCLAMATIONS AND EXECUTIVE ORDERS

<i>Date</i>	<i>Subject</i>	<i>II F.R. page</i>
1945		
Dec. 31	Appointment: Fact-finding board in United States Steel dispute	335
1946		
Jan. 22	Directive: Federal foreign intelligence activities, coordination	1337
June 29	Military Order: Organized Military Forces of the Government of the Commonwealth of the Philippines released from the service of the armed forces of the United States . . .	7394
May 16	Reorganization Plan: Labor Department and Federal Security Agency: Children's Bureau, Census Bureau, U.S. Employees' Compensation Commission, Social Security Board, Office of Education, Federal Board for Vocational Education, St. Elizabeths Hospital (Reorganization Plan 2).	7873
May 16	Reorganization Plan: Treasury Department, War and Navy Departments, Interior Department, Agriculture Department, Commerce Department, National Labor Relations Board, United States Employment Service, Smithsonian Institution (Reorganization Plan 3).	7875

Appendix C—Presidential Reports to the Congress, 1946

<i>Subject</i>	<i>Published, 79th Congress</i>	<i>Sent to the Congress</i>	<i>Date of White House release</i>
Report of all receipts and disbursements of the Foreign Service retirement and disability system for the fiscal year ended June 30, 1945.	H. Doc. 416	Jan. 22	Jan. 22
Lend-Lease Operations:			
Twenty-first Report	H. Doc. 432	Jan. 31	. . . .
Twenty-second Report	H. Doc. 663	June 14	. . . .
Report of the National Advisory Council on International Monetary and Financial Problems, on its activities during the past 6 months.	H. Doc. 497	Mar. 8	. . . .
Report on activities of the American Delegation to the First Part of the First Session of the General Assembly of the United Nations in London, England.	H. Doc. 509	Mar. 19	Mar. 19
Civil Service Commission—62nd Annual Report		Apr. 5	Apr. 5
National Capital Housing Authority for the fiscal year ended June 30, 1945.		Apr. 15	Apr. 15
Panama Railroad Company—96th Annual Report		Apr. 26	Apr. 26
United States Participation in Operations of UNRRA:			
Sixth Report, quarter ending December 31, 1945	H. Doc. 533	Apr. 22 (S) Apr. 30 (H)	. . . . . . . .
Seventh Report, quarter ending March 31, 1946	H. Doc. 670	June 19	. . . .
Governor of the Panama Canal:			
Report for fiscal year ending June 30, 1942	H. Doc. 413	May 13	. . . .
Report for fiscal year ending June 30, 1943	H. Doc. 414	May 20	. . . .
Report for fiscal year ending June 30, 1944	H. Doc. 460	June 13	June 13
Report for fiscal year ending June 30, 1945	H. Doc. 461	June 13	June 13
Report of the Civilian Production Administration of operations under the Property Requisitioning Act, for the period from October 16, 1945, through April 15, 1946.	H. Doc. 588	May 14	May 14
Report covering the work of the Juvenile Court of the District of Columbia for the fiscal year ended June 30, 1945.	H. Doc. 655	June 13	June 13
Annual report of the Alien Property Custodian for the fiscal year ending June 1945.	H. Doc. 669	June 17 (H) June 18 (S)	. . . . June 17
Railroad Retirement Board for the fiscal year ended June 30, 1945 .	H. Doc. 686	June 29	June 29
	<i>Published, 80th Congress</i>		
United States Participation in Operations of UNRRA:			
Eighth Report, quarter ending June 30, 1946	H. Doc. 39	Sept. 27 *	. . . .
Ninth Report, quarter ending September 30, 1946	H. Doc. 40	Dec. 23 *	. . . .
Lend-Lease Operations—Twenty-third Report	H. Doc. 41	Dec. 27 *	. . . .

* Delivered to the Clerk of the House and the Secretary of the Senate.

Appendix D—Rules Governing This Publication

[Reprinted from the Federal Register, vol. 24, p. 2354, dated March 26, 1959]

TITLE 1—GENERAL PROVISIONS

Chapter I—Administrative Committee of the Federal Register

PART 32—PUBLIC PAPERS OF THE PRESIDENTS OF THE UNITED STATES

PUBLICATION AND FORMAT

Sec.

- 32.1 Publication required.
- 32.2 Coverage of prior years.
- 32.3 Format, indexes, ancillaries.

SCOPE

- 32.10 Basic criteria.
- 32.11 Sources.

FREE DISTRIBUTION

- 32.15 Members of Congress.
- 32.16 The Supreme Court.
- 32.17 Executive agencies.

PAID DISTRIBUTION

- 32.20 Agency requisitions.
- 32.21 Extra copies.
- 32.22 Sale to public.

AUTHORITY: §§ 32.1 to 32.22 issued under sec. 6, 49 Stat. 501, as amended; 44 U.S.C. 306.

PUBLICATION AND FORMAT

§ 32.1 *Publication required.* There shall be published forthwith at the end of each calendar year, beginning with the year 1957, a special edition of the FEDERAL REGISTER designated "Public Papers of the Presidents of the United States." Each volume shall cover one calendar year and shall be identified further by the name of the President and the year covered.

§ 32.2 *Coverage of prior years.* After conferring with the National Historical Publications Commission with respect to the need therefor, the Administrative Committee may from time to time authorize the publication of similar volumes covering specified calendar years prior to 1957.

§ 32.3 *Format, indexes, ancillaries.* Each annual volume, divided into books whenever appropriate, shall be separately published in the binding and style deemed by the Administrative Committee to be suitable to the dignity of the office of President of the United States. Each volume shall be appropriately indexed and shall contain appropriate ancillary information respecting significant Presidential documents not published in full text.

SCOPE

§ 32.10 *Basic criteria.* The basic text of the volumes shall consist of oral utterances by the President or of writings subscribed by him. All materials selected for inclusion under these criteria must also be in the public domain by virtue of White House press release or otherwise.

§ 32.11 *Sources.* (a) The basic text of the volumes shall be selected from the official text of: (1) Communications to the Congress, (2) public addresses, (3) transcripts of press conferences, (4) public letters, (5) messages to heads of state, (6) statements released on miscellaneous subjects, and (7) formal executive documents promulgated in accordance with law.

(b) Ancillary text, notes, and tables shall be derived from official sources only.

FREE DISTRIBUTION

§ 32.15 *Members of Congress.* Each Member of Congress, during his term of office, shall be entitled

Appendix D

to one copy of each annual volume published during such term; *Provided*, That authorization for furnishing such copies shall be submitted in writing to the Director and signed by the authorizing Member. [As amended effective Dec. 30, 1960, 25 F.R. 14009]

§ 32.16 *The Supreme Court.* The Supreme Court of the United States shall be entitled to twelve copies of the annual volumes.

§ 32.17 *Executive agencies.* The head of each department and the head of each independent agency in the executive branch of the Government shall be entitled to one copy of each annual volume upon application therefor in writing to the Director.

PAID DISTRIBUTION

§ 32.20 *Agency requisitions.* Each Federal agency shall be entitled to obtain at cost copies of the annual volumes for official use upon the timely submission to the Government Printing Office of a printing and binding requisition (Standard Form No. 1).

§ 32.21 *Extra copies.* All requests for extra copies of the annual volumes shall be addressed to the Superintendent of Documents, Government Printing Office, Washington 25, D.C. Extra copies shall be paid for by the agency or official requesting them.

§ 32.22 *Sale to public.* The annual volumes shall be placed on sale to the public by the Superintendent of Documents at prices determined by him under the general direction of the Administrative Committee.

* * * * *

ADMINISTRATIVE COMMITTEE OF THE FEDERAL REGISTER,

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Approved March 20, 1959.

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Attorney General.

FRANKLIN FLOETE,
Administrator of General Services.

[F.R. Doc. 59-2517; Filed Mar. 25, 1959; 8:45 a.m.]

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